PUBLIC ACCOUNTS

2002 - 2003

Yukon
Finance

104-01463/

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF YUKON

for the year ended March 31, 2003

Yukon
Finance

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Yukon
Office of the Minister
Box 2703, Whitehorse, Yukon Y1A 2C6

October 15, 2003

The Honourable Jack Cable
Commissioner of Yukon

In accordance with the provisions of subsection 8(1) of the *Financial Administration Act* (Yukon), I have the honour to submit herewith the Public Accounts of the Government of Yukon for the fiscal year ended March 31, 2003.

Dennis Fentie
Minister of Finance

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PUBLIC ACCOUNTS OF THE
GOVERNMENT OF YUKON

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GOVERNMENT OF YUKON

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PART ONE

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of Yukon is the responsibility of management of the Department of Finance.

The consolidated financial statements have been prepared in accordance with the accounting policies set out in Note 2 to the consolidated financial statements and comply with the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants wherever applicable and practical. When alternative accounting methods exist, management has chosen those that are most appropriate. Where required, management's best estimates and judgement have been applied in the preparation of these statements.

The Department of Finance maintains systems of financial management and control designed to provide timely and reliable information to users, to properly safeguard assets, and to ensure all financial transactions are in accordance with the *Yukon Act* (Canada), *Financial Administration Act* (Yukon) and regulations.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly the financial position of the Government, the results of its operations, cash flows and tangible capital assets for the year. During the course of the audit, she also examines transactions that have come to her notice, to ensure they are, in all significant respects, in accordance with the statutory powers of the Government and those organizations included in the consolidation. After completion of the audit, the Auditor General of Canada includes additional information, comments and recommendations in her report to the Legislative Assembly.

Annually, the consolidated financial statements are tabled in the Legislative Assembly as part of the Public Accounts, and are referred to the Public Accounts Committee. The Public Accounts Committee is to report to the Legislative Assembly on the results of its examination together with any recommendations.

Bruce McLennan, CMA
Deputy Head of the Department of Finance

July 18, 2003

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Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Legislative Assembly of the Yukon Territory

I have audited the consolidated statement of financial position of the Government of the Yukon Territory as at March 31, 2003 and the consolidated statements of operations and accumulated surplus, cash flows and tangible capital assets for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Government, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Government of the Yukon Territory as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with the stated accounting policies of the Government of the Yukon Territory as set out in Note 2 to the consolidated financial statements. As required by the *Yukon Act*, I also report that, in my opinion, except for the change in accounting for retirement benefits for members of the Legislative Assembly as described in Note 3, these stated accounting policies have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Government and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Government and of those organizations listed in Note 2(a) to the consolidated financial statements that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Government's powers under the *Yukon Act* and the *Financial Administration Act* and regulations.

In my report dated July 19, 2002, I expressed a qualified opinion on the March 31, 2002 consolidated financial statements of the Government of the Yukon Territory. In that report, I called attention to the under accrual of the liability for post-employment benefits earned by the Government's employees. In my opinion, this overstated the surplus for the year ended March 31, 2002 and the accumulated surplus at that date by $7.2 million and accounts payable and accrued liabilities were understated by the same amount. As described in note 13, the Government has recorded the full amount of the liability by increasing its operations and maintenance expenditures for the year ended March 31, 2003.

Additional information and comments on the consolidated financial statements and this opinion will be included in my annual report to the Legislative Assembly of the Yukon Territory.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
July 18, 2003, except as to Note 15 which is as of September 25, 2003.

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GOVERNMENT OF YUKON

Consolidated Statement of Financial Position
as at March 31, 2003

	2003	2002
	(thousands of dollars)	
ASSETS		
Cash and cash equivalents (Note 4)	$ 1,839	$ 30,274
Temporary investments (Note 5)	-	11,521
Due from Canada (Note 6)	81,558	39,958
Accounts receivable (Note 7)	11,581	10,150
Inventories	3,148	3,666
Loans receivable (Note 8)	60,547	60,150
Land held for sale (Note 9)	24,224	27,632
Investments in government business enterprises (Note 10(a))	116,216	111,258
Tangible capital assets, at a nominal value of one dollar (Note 11)	-	-
	$ 299,113	**$ 294,609**
LIABILITIES		
Bank indebtedness (Note 4)	$ 1,612	$ 3,413
Due to Canada (Note 6)	6,351	4,845
Accounts payable and accrued liabilities (Note 12)	42,697	44,501
Deferred revenues	9,627	8,848
Post-employment benefits (Note 13)	41,558	33,214
Long-term debt (Note 14)	31,054	31,646
	132,899	126,467
Contingencies, commitments and guarantees (Notes 9, 10, 20, 22, 23, 24 and 25)		
ACCUMULATED SURPLUS		
Accumulated surplus	166,214	168,142
	$ 299,113	**$ 294,609**

The accompanying notes and schedules are an integral part of these consolidated financial statements.

Approved:

Bruce McLennan, CMA
Deputy Head of the Department of Finance

Dennis Fentie
Minister of Finance

GOVERNMENT OF YUKON

Consolidated Statement of Operations and Accumulated Surplus
for the year ended March 31, 2003

	2003		2002
	Main Estimates (Note 19)	Actual	Actual
	(thousands of dollars)		
Revenues (Schedule A)			
Grant from Canada (Note 15)	$ 346,004	$ 381,821	$ 348,646
Taxes and general revenues	67,964	68,242	68,707
Transfer payments from Canada	21,730	19,889	25,831
Investment income	4,796	9,349	10,418
Recoveries (Schedule B)			
Operations and maintenance	41,071	39,984	37,366
Capital	33,911	33,489	27,346
	515,476	552,774	518,314
Expenditures (Note 16 and Schedule C)			
Operations and maintenance	446,699	456,494	431,583
Capital	104,747	96,498	103,530
	551,446	552,992	535,113
Recovery of prior years' expenditures	-	772	838
Surplus (deficit) for the year	**$ (35,970)**	554	(15,961)
Accumulated surplus at beginning of year		168,142	184,103
Adjustment to accumulated surplus, beginning of year - change in accounting policy (Note 3)		(2,482)	-
Accumulated surplus at beginning of year, restated		165,660	184,103
Accumulated surplus at end of year		**$ 166,214**	**$ 168,142**

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF YUKON

Consolidated Statement of Cash Flows
for the year ended March 31, 2003

	2003	2002
	(thousands of dollars)	
Operating activities		
Surplus (deficit) for the year	$ 554	$ (15,961)
Non-cash items included in surplus for the year		
Write-down of temporary investments	-	46
Provision for doubtful loans receivable and accounts receivable	(115)	1,326
Provision for write-down of land held for sale	3,010	38
Gain on sale of lots	(327)	(116)
Investment income from government business enterprises	(4,958)	(5,498)
Provision for post-employment benefits	8,344	20
Adjustment due to change in accounting policy (Note 3)	(2,482)	-
Changes in non-cash operating activities		
Decrease (increase) in temporary investments	11,520	(2,347)
Decrease (increase) in due from Canada	(41,600)	44,523
Decrease (increase) in accounts receivable	(1,287)	1,061
Decrease (increase) in inventories	519	(512)
Increase (decrease) in due to Canada	1,507	(842)
Increase (decrease) in accounts payable and accrued liabilities	(1,804)	4,770
Increase (decrease) in deferred revenues	779	(475)
Cash flows (used in) from operating activities	(26,340)	26,033
Investing activities		
Investment in land held for sale	(2,936)	(2,462)
Proceeds from sale of land held for sale	243	673
Loans advanced	(9,304)	(15,511)
Loans repaid	12,296	12,263
Cash flows from (used in) investing activities	299	(5,037)
Financing activities		
Issue of long-term debt	300	1,415
Repayment of long-term debt	(893)	(822)
Cash flows (used in) from financing activities	(593)	593
Net (decrease) increase in cash and cash equivalents	(26,634)	21,589
Cash and cash equivalents		
Beginning of year	26,861	5,272
End of year (Note 4)	**$ 227**	**$ 26,861**
Supplemental information		
Interest paid in the year	$ 2,659	$ 2,742
Interest received in the year	4,117	4,398

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF YUKON

Consolidated Statement of Tangible Capital Assets
for the year ended March 31, 2003

	Land	Buildings	Equipment	Vehicles	Computer hardware and software	Other*	2003 Total	2002 Total
				(thousands of dollars)				(Restated)**
Cost of tangible capital assets, opening	$ 5,194	$ 372,726	$ 59,107	$ 9,432	$ 18,352	$ 3,794	$ 468,605	$ 454,021
Acquisitions	220	30,521	1,557	965	1,333	59	34,655	15,526
Disposals	(2)	(1,942)	(1,487)	(426)	(18)	(67)	(3,942)	(942)
Cost of tangible capital assets, closing	5,412	401,305	59,177	9,971	19,667	3,786	499,318	468,605
Accumulated amortization, opening	-	138,005	30,294	5,422	11,616	1,994	187,331	172,320
Amortization expense	-	10,848	3,358	850	1,646	186	16,888	15,791
Write-downs	-	-	-	-	-	-	-	-
Disposals	-	(1,882)	(1,192)	(364)	(18)	(50)	(3,506)	(780)
Accumulated amortization, closing	-	146,971	32,460	5,908	13,244	2,130	200,713	187,331
Net book value	5,412	254,334	26,717	4,063	6,423	1,656	298,605	281,274
Work-in-progress	-	2,235	-	-	754	-	2,989	28,399
	$ 5,412	**$ 256,569**	**$ 26,717**	**$ 4,063**	**$ 7,177**	**$ 1,656**	**$ 301,594**	**$ 309,673**

* Includes portable classrooms, housing trailers, land fixtures and leasehold improvements.

** During the year, the value of the airports' assets, excluding the airport runways, which were transferred from Canada was established and included in the opening balances of all categories.

1. Authority and operations

The Government of Yukon (the Government) operates under the authority of the *Yukon Act* (Canada). All disbursements for operations and loans are authorized by the Yukon Legislative Assembly.

The Yukon Housing Corporation operates under the authority of the *Housing Corporation Act* (Yukon).

2. Significant accounting policies

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Government and organizations accountable to and controlled by the Government. The entities that exist to deliver the executive functions of the Government are fully consolidated in these financial statements. The entities that are deemed to be government partnerships are accounted for using the proportionate consolidation method. The entities that are deemed to be government business enterprises are accounted for using the modified equity method.

The organizations comprising the consolidated government reporting entity, categorized by accounting method are:

Fully consolidated:

Government of Yukon
Yukon Housing Corporation

Proportionate consolidation:

19596 Yukon Inc.

Modified equity:

Yukon Development Corporation
Yukon Liquor Corporation
Yukon Government Fund Limited

In October 1999 the Government, with Northwestel Inc. and another partner, formed a government partnership, 19596 Yukon Inc., in order to carry out the "Connect Yukon" telecommunication infrastructure development project to provide high speed internet services in the Yukon. 19596 Yukon Inc. has been financed with $10.5 million from the Yukon Government Fund Limited (Note 10(c)). 19596 Yukon Inc. leases equipment to Northwestel Inc.

Trusts administered by the Government on behalf of other parties (Note 18) are excluded from the consolidated Government reporting entity.

(b) Basis of accounting

Revenues

Revenues are recorded on an accrual basis unless the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. The exceptions are as follows:

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by Canada under a tax collection agreement and are remitted to the Government monthly. The remittances are based on estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are completed. The remittances for the taxation year are recognized as revenues of the fiscal year in which the taxation year ends, together with known income tax adjustments arising in the fiscal year.

Revenue from general property tax, assessed on a calendar year basis, is recognized in the fiscal year in which the calendar year ends.

Expenditures

Operations, maintenance and capital expenditures are recorded on an accrual basis. Transfer payments are recorded as expenditures when paid or when the terms of a contractual transfer agreement have been met.

Lease payments under capital and operating leases are recorded respectively as capital and operations and maintenance expenditures.

Expenditures are recovered from Canada and other sources under various cost-sharing agreements including reconstruction of the Alaska Highway, social assistance and occupational training. The amounts are recorded as recoverable in the year in which the related expenditures are incurred. Any adjustments upon finalization are reflected in the accounts in the year of adjustment.

Recovery of prior years' expenditures includes reversal of amounts accrued in prior years which are in excess of actual expenses. These amounts cannot be used to increase the amount appropriated for expenditures for the current year.

Assets

Temporary investments are valued at the lower of cost and market value.

Inventories consist primarily of fuel and lubricants, repair parts, stationery and office supplies, highway materials, and engineering, building and maintenance supplies, and are valued at the lower of cost and replacement value. Other materials and supplies are charged to expenditures at the time of acquisition.

Loans receivable are stated at principal amounts. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable amount, are based on historical experience, current conditions and all circumstances known at the date of the preparation of the financial statements. Interest revenue is recognized on an accrual basis until such time that the collectibility of either principal or interest is not reasonably assured.

Land held for sale comprises the costs of acquiring, planning and developing serviced lots for eventual sale. The lots are valued at cost, except, when there has been a loss in value that is other than a temporary decline, in which case the lots are written down to recognize the loss. Gains or losses on the sale of lots are recognized at the time of sale.

Tangible capital assets are charged to expenditures at the time of acquisition or construction and are shown on the consolidated statement of financial position at a nominal value of one dollar.

Liabilities

Liabilities include financial claims payable by the Government and deferred revenues.

Deferred revenues are cash received for which goods and services have not been provided by year-end, and are comprised of remittances of income taxes for the first three months of the following taxation year together with motor vehicle licence fees and other items for the following fiscal year.

(c) Investments

The *Financial Administration Act* (Yukon) allows the Government to invest money from the consolidated revenue fund in the following investments:

- securities that are obligations of, or guaranteed by, Canada or a province;
- fixed deposits, notes, certificates and other short term paper of, or guaranteed by, a bank including swapped deposit transactions in currency of the United States of America;
- commercial paper issued by a company incorporated under the laws of Canada or a province, the securities of which are rated in the highest rating category by at least two recognized security rating institutions.

The duration of the securities held depends on cash projections but usually averages under a year in length.

(d) Grant and transfer payments from Canada

The grant is subject to the terms of a financial agreement with Canada and is receivable in monthly instalments. Periodic adjustments, as they become known, are made to the grant when income taxes, Canada Health and Social Transfer contributions and certain operating revenues and recoveries collected by the Government differ from the estimated amounts which were used to determine the grant for the fiscal year. Further adjustments are made in accordance with escalation and tax effort adjustment clauses in the agreement. Other adjustments may arise out of new federal initiatives or unforeseen events.

Transfer payments are received from Canada in accordance with the *Federal-Provincial Fiscal Arrangements Act*. Adjustments are made in accordance with the arrangements in the year they are known.

(e) Post-employment benefits

Post-employment benefits are expected to be provided after employment but before retirement to employees and their beneficiaries. These benefits include severance benefits and accumulated sick, vacation, compensatory and personal leave and travel bonus benefits that are paid in cash when the employee terminates. The Government recognizes the obligation for these benefits as a liability and uses an actuary to estimate the amount of the obligation.

(f) Retirement benefits

The Government's employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Government's contributions are recorded as expenditures on a current basis and represent the total pension obligations of the Government.

Retirement benefits to Members of the Legislative Assembly and judges are valued on an actuarial basis. Actuarial valuations of these benefits are performed triennially using the projected benefit method prorated on services. Actuarial gains and losses are amortized over the estimated average remaining service lives of the participants. The Government administers and accounts for the plan assets of the Legislative Assembly Retirement Allowances Plan as a trust asset. As the Government is not required to maintain a fund for the Territorial Court Judiciary Pension Plan, there are no assets for this plan. The accrued benefit liability for these plans, which is calculated as the accrued benefit obligation less plan assets, if any, adjusted by unamortized actuarial gains or losses, is included in accrued liabilities.

(g) Measurement uncertainty

The preparation of financial statements in accordance with these accounting policies requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenditures reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to the grant from Canada, the obligation for post-employment benefits and contingencies.

3. Change in accounting policy

During the year, the Government fully adopted, on a retroactive basis, the recommendations issued by the Canadian Institute of Chartered Accountants with respect to accounting for retirement benefits for members of the Legislative Assembly. The recommendations also require a change in the discount rate used to value pension benefit obligations and service costs from an estimated long-term rate to a market-based interest rate.

The effect of this change in accounting policy has been recorded on a retroactive basis with a charge to opening accumulated surplus and no restatement of prior financial statements. The effect on the opening accumulated surplus was a reduction of $2,482,000.

GOVERNMENT OF YUKON

Notes to Consolidated Financial Statements
March 31, 2003

4. Cash and cash equivalents/Bank indebtedness

	2003	2002
	(thousands of dollars)	
Short-term investments	$ 1,773	$ 30,211
Cash on hand	66	63
	1,839	30,274
Bank indebtedness	(1,612)	(3,413)
	$ 227	$ 26,861

Cash and cash equivalents include cash on hand and balances with banks, and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

5. Temporary investments

	2003		2002	
	Market Value	Book Value	Market Value	Book Value
	(thousands of dollars)			
Mid-term notes	$ -	$ -	$ 5,125	$ 5,120
Commercial paper	-	-	5,075	5,086
Government of Canada coupons	-	-	945	983
Bankers' acceptance	-	-	376	376
	$ -	$ -	$ 11,521	$ 11,565

Temporary investments during the year had a weighted average effective yield of 3.5%, (2002 – 2.9%) per annum.

6. Due from/to Canada

	2003	2002
	(thousands of dollars)	
Due from Canada		
Cost-sharing agreements and projects delivered on behalf of Canada	$ 41,477	$ 36,292
Federal grant receivable	39,947	3,587
Other	134	79
	$ 81,558	$ 39,958
Due to Canada		
RCMP	$ 3,430	$ 2,801
Superannuation contribution payable	1,735	-
Income tax payable	825	-
Devolution funding repayable	-	1,322
Other	361	722
	$ 6,351	$ 4,845

Amounts due from and due to Canada are payable on demand and are non-interest bearing. The carrying amounts approximate fair market values because of their short term to maturity.

7. Accounts receivable

	2003	2002
	(thousands of dollars)	
Taxes, interest and other revenue receivables	$ 11,064	$ 10,905
Less valuation allowances	(3,679)	(3,606)
	7,385	7,299
Due from Territorial corporations	3,291	2,010
Prepaid expenses	905	841
	$ 11,581	$ 10,150

8. Loans receivable

	2003	2002
	(thousands of dollars)	
Mortgages receivable, due in varying annual amounts to the year 2022, bearing interest rates ranging from 0.0% to 8.5%	$ 44,253	$ 42,503
Debenture loans to municipalities, due in varying annual amounts to the year 2026, bearing interest rates ranging from 5.0% to 13.3%	9,855	11,430
Business development assistance loans, due in varying annual amounts with varying terms, bearing interest rates ranging from 0.0% to 13.6%	4,427	4,996
Agreements for sale, due in varying annual amounts over a three or five year term to the year 2008, bearing interest rates ranging from 4.8% to 8.5%	2,592	2,271
Local improvement loans, due in varying annual amounts to the year 2031, bearing interest rates ranging from 2.3% to 13.5%	2,217	1,946
Others	503	504
Less valuation allowances	(3,300)	(3,500)
	$ 60,547	$ 60,150

9. Land held for sale

	2003	2002
	(thousands of dollars)	
Raw land	$ 45	$ 45
Land under development	9,517	13,879
Finished land	14,662	13,708
	$ 24,224	$ 27,632

Land held for sale is affected by the Yukon First Nations land claims negotiations. At March 31, 2003, $4.4 million (2002 - $2.7 million) of finished land is included in the scope of existing land claims. Recovery of costs of the land selected in land claims settlements is to be provided for by Canada as per provisions of the Bilateral Agreement of June 24, 1993.

10. Investments in government business enterprises

(a) Summary financial statements

Summary financial statements of the government entities accounted for by the modified equity method are provided below. The Yukon Development Corporation and the Yukon Government Fund Limited have a fiscal year end of December 31. The Yukon Liquor Corporation has a fiscal year end of March 31.

	Yukon Development Corporation	Yukon Government Fund Limited	Yukon Liquor Corporation	2003 Total	2002 Total
	(as at December 31, 2002)		(as at March 31, 2003)		
		(thousands of dollars)			
Balance Sheet					
Assets					
Current	$ 15,963	$ 1,229	$ 3,259	$ 20,451	$ 39,094
Investments	3,810	-	-	3,810	4,082
Capital Assets	153,602	-	2,958	156,560	134,247
Other	14,325	14,191	-	28,516	22,597
	$ 187,700	$ 15,420	$ 6,217	$ 209,337	$ 200,020
Liabilities					
Current	$ 10,087	$ 14	$ 2,461	$ 12,562	$ 7,448
Long-term debt and other	64,645	15,116	798	80,559	81,314
Equity	112,968	290	2,958	116,216	111,258
	$ 187,700	$ 15,420	$ 6,217	$ 209,337	$ 200,020
Statement of Operations and Equity					
Revenues	$ 26,202	$ 883	$ 10,627	$ 37,712	$ 35,814
Expenses	21,548	659	6,156	28,363	25,396
Surplus	4,654	224	4,471	9,349	10,418
Remitted to the Government	-	-	(4,391)	(4,391)	(4,920)
Equity, beginning of year	108,314	66	2,878	111,258	105,760
Equity, end of year	$ 112,968	$ 290	$ 2,958	$ 116,216	$ 111,258

Equity represents the Government's investment in the government business enterprises.

(b) Inter-entity balances and transactions

	Yukon Development Corporation (as at December 31, 2002)	Yukon Government Fund Limited (as at December 31, 2002)	Yukon Liquor Corporation (as at March 31, 2003)	2003 Total	2002 Total
	(thousands of dollars)				
Government of Yukon					
Accounts receivable from	$ 84	$ -	$ 1,110	$ 1,194	$ 420
Loans receivable from	-	116	-	116	115
Accounts payable to	44	16	1	61	97
Loans payable to	-	2,572	-	2,572	2,272
Revenues from	213	-	786	999	562
Expenditures to	10,410	194	-	10,604	7,619

(c) Commitments

Yukon Government Fund Limited

On January 4, 1999 the Yukon Government Fund Limited finalized a Confidential Offering Memorandum for filing with the Business Immigration Division, Department of Citizenship and Immigration Canada. The offering expired on March 31, 1999. The company has obtained $15.0 million (2002 - $13.3 million) from investors, of which $3.0 million (2002 - $2.7 million) is restricted. $10.5 million (2002- $9.3 million) has been loaned to 19596 Yukon Inc. (Note 2(a)). The company has committed to use the remaining proceeds of the offering to invest in eligible businesses in the Yukon.

The $15.0 million due to investors is repayable as follows:

	(thousands of dollars)
2005	$ 5,000
2006	8,000
2007	2,000
	$ 15,000

(d) Guarantees

The Government has guaranteed debts of the Yukon Development Corporation of $43.5 million (2002 - $44.4 million). In addition, the Government has guaranteed an operating demand overdraft facility to the Yukon Energy Corporation, a wholly owned subsidiary of the Yukon Development Corporation, of up to $10.0 million. It is expected that no significant costs will be incurred by the Government with respect to these guarantees.

11. Tangible Capital Assets

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year and are intended to be used on an ongoing basis for delivering services.

The Government is in the process of accumulating information on all of its tangible capital assets. As each asset category is completed, cost and amortization information will be presented in the statement of tangible capital assets. For example, infrastructure costs for roads and bridges have yet to be determined.

In the statement of tangible capital assets, tangible capital assets are reported at cost. Tangible capital assets transferred from Canada are reported at their fair market value at the date of transfer or, if it is not available, at the appraised value at various appraisal dates. Tangible capital assets that are held and available for use by the Government are reported based on the following capitalization thresholds and estimated useful lives.

Asset category	Threshold	Estimated useful life
Land	Nil	N/A
Buildings	$50,000	40 years
Portable classrooms/housing trailers	$50,000	20 years
Land improvements and fixtures	$50,000	20 years
Heavy equipment	$10,000	7 - 30 years
Operating equipment	$10,000	7 - 25 years
Vehicles	$10,000	6 - 15 years
Computer hardware	$10,000	5 years
Computer software	$100,000	7 years
Leasehold improvements	$50,000	Lease term

Tangible capital assets under construction or development are reported as work-in-progress with no amortization until the asset is placed in service. The Government owns and/or maintains various historical sites. The Government also holds works of art with a total insured value of $2 million. Works of art and historical treasures are not included in the Statement of Tangible Capital Assets.

12. Accounts payable and accrued liabilities

	2003	2002
	(thousands of dollars)	
Accrued liabilities	$ 24,472	$ 23,212
Accounts payable	13,568	14,858
Due to Territorial corporations	2,937	3,237
Contractors' holdbacks and security deposits	1,720	3,194
	$ 42,697	$ 44,501

13. Post-employment benefits

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method pro-rated on service. The obligation for compensatory and personal leave and travel bonus benefits is calculated assuming all employees would cash in those benefits on valuation date. In projecting the accrued obligation for these benefits as at March 31, 2003, the actuary used, as economic assumptions, the liability discount rate of 7.0%, the annual rates of general salary increases of 3.0% and the annual rate of inflation of 3.0%.

Expenses related to post-employment benefits for the year ended March 31, 2003 were $11,549,000 (2002 - $2,571,000). At March 31, 2002 the Government limited the post-employment benefits liability to the level established for the previous year. The effect of this capping of the liability was an understatement of expenditures for the year ended March 31, 2002 by $7,195,000. At March 31, 2003, the Government fully recognized the post-employment benefits liability based on the actuarial valuation. The current year's expenses of $11,549,000 include the expenses that are applicable to the previous year. Benefits paid by the Government from the post-employment benefits liability during the year amounted to $3,205,000 (2002 - $2,551,000).

14. Long-term debt

	2003	2002
	(thousands of dollars)	
Mortgages, with a variety of terms, secured by fixed charges against housing projects, repayable in blended monthly payments with maturities up to the year 2029, bearing fixed interest rates ranging from 5.1% to 12.5%	$ 20,141	$ 20,799
Canada Mortgage and Housing Corporation loans, repayable in blended annual payments with maturities up to the year 2028, bearing fixed interest rates ranging from 5.0% to 13.3%	4,563	4,724
Loans from Canada, repayable in annual instalments with maturities up to the year 2008, bearing fixed interest rates ranging from 6.1% to 11.1%	3,742	3,786
Loan from the Yukon Government Fund Limited, principal repayment at maturity of May 1, 2005, with interest payable monthly at the annual rate of 7.7% calculated and compounded semi-annually	2,573	2,272
Other debentures, repayable in semi-annual instalments with maturities up to the year 2004, bearing a fixed interest rate of 13.0%	35	65
	$ 31,054	$ 31,646

Principal repayment requirements over the next five years on outstanding loans are as follows:

	(thousands of dollars)
2004	$ 941
2005	970
2006	3,628
2007	1,721
2008	4,404
Thereafter	19,390
	$ 31,054

15. Grant from Canada

	2003	2002
	(thousands of dollars)	
Formula Financing grant entitlement	$ 366,278	$ 348,347
Adjustments in respect of:		
Census one-time	15,187	-
Formula financing escalators	(1,524)	238
Tax effort adjustment	(2,949)	2,753
Own source revenues and recoveries	5,326	(1,875)
Formula Financing grant	382,318	349,463
Less oil and gas revenue offset	(497)	(817)
Grant from Canada per Schedule of Revenues (Schedule A)	$ 381,821	$ 348,646

The Government receives a grant from Canada according to an agreed formula. The current Formula Financing Agreement with Canada is in effect for the period April 1, 1999 to March 31, 2004.

The Formula Financing grant calculation was finalized using July 1 population statistics released by Statistics Canada on September 25, 2003. This resulted in increased Formula Financing grant revenue of $23.7 million.

16. Expenditures by object

	2003	2002
	(thousands of dollars)	
Operations and maintenance		
Personnel	$ 216,034	$ 199,240
Transfer payments	96,379	92,943
Contract and special services	74,864	70,361
Materials, supplies and utilities	43,808	42,528
Communication and transportation	17,579	15,625
Loan interest	2,646	2,737
Other	5,184	8,149
	$ 456,494	$ 431,583
Capital		
Building and infrastructure	$ 62,448	$ 68,491
Transfer payments	17,118	19,189
Equipment	6,484	11,157
Other	10,448	4,693
	$ 96,498	$ 103,530

17. Pension plans

(a) Public Service Superannuation Plan

The Government's employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Government contributes at a rate of 2.14 times the employee's contribution. The Government's contributions to the Public Service Superannuation Plan during the year and .recorded as expenditures were $17,739,000 (2002 - $16,858,000).

(b) Legislative Assembly Retirement Allowances Plan

The Legislative Assembly Retirement Allowances Plan is a contributory defined benefit pension plan. In addition to retirement allowances, the plan also contains a provision for payment of lump sum death and severance allowances. These benefits are based on service and/or earnings. The Government administers the Legislative Assembly Retirement Allowances Fund, and reports the Fund as a trust asset external to the Government of Yukon reporting entity (Note 18).

The *Legislative Assembly Retirement Allowances Act* (Yukon) stipulates that actuarial valuations of the obligation for these benefits must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. These assumptions reflect the best estimates of expected long-term rates and short-term forecasts accepted by the Members' Services Board of the Legislative Assembly. The last completed actuarial valuation was as at March 31, 2002. The accrued benefit obligation shown for 2003 is based on an extrapolation of that 2002 valuation.

(c) Territorial Court Judiciary Pension Plan

The *Territorial Court Judiciary Pension Plan Act* (Yukon) was enacted in May 2001, with an effective date of September 18, 1998. The Territorial Court Judiciary Pension Plan is a non-contributory defined benefit pension plan and the Government is not required to maintain a fund for this plan.

The actuarial report was prepared at March 31, 2002. The accrued benefit obligation shown for 2003 is based on an extrapolation of that 2002 valuation.

The following presents the financial position of the Government's pension plans at March 31, 2003. Pension plan assets are valued at the lower of cost and market.

	Legislative Assembly Retirement Allowance Plan	Territorial Court Judiciary Pension Plan
	(thousands of dollars)	
Accrued benefit obligation		
Obligation at beginning of year	$ 15,981	$ 1,871
Current service costs	718	109
Interest cost on benefit obligation	959	134
Benefits paid	(608)	-
Accrued benefit obligation at end of year	$ 17,050	$ 2,114
Pension plan assets		
Value at beginning of year	$ 13,498	$ -
Actual return on plan assets	964	-
Government contributions	3,143	-
Member contributions	63	-
Benefits paid	(608)	-
Value at end of year	$ 17,060	$ -
Funded status – plan surplus (deficit)	$ 10	$ (2,114)
Unamortized net actuarial (gain) loss	(146)	23
Accrued benefit liability	$ (136)	$ (2,091)
Net pension expense		
Current service costs (net of member contributions)	$ 647	$ 109
Interest cost on benefit obligation	959	134
Expected return on plan assets	(810)	-
Amortization of net actuarial gain	-	(2)
	$ 796	$ 241
Assumptions		
Expected long-term rate of return on assets	6.0%	N/A
Discount rate on projected benefit obligation	6.0%	7.0%
Inflation	3.0%	3.5%
Rate of compensation increase	* 3.0%	** 3.5%
Amortization period (expected average remaining service life)	8 years	4 years

* Annual rates of increase in indemnities and expense allowances. No salary increases are assumed.
** Increase to $178,000 on April 1, 2003, assumed rate thereafter.

18. Trust assets

The Government administers trust accounts on behalf of third parties which are not included in the Government's assets.

The largest such trust account, the Compensation Fund (Yukon) has a fiscal year end of December 31. Details of the assets of the Compensation Fund (Yukon), principally investments, are available from its financial statements, which are reproduced in Section III of the Public Accounts of the Government. The remaining trust assets are invested primarily in short-term and long-term bonds.

Investments are valued at the lower of cost and market. Any other assets held under administration such as property, securities and valuables are reflected in trust accounts only upon conversion to cash.

	2003	2002
	(thousands of dollars)	
Compensation Fund (Yukon)	$ 133,499	$ 140,374
Legislative Assembly Retirement Allowances (Note 17(b))	17,060	13,498
Lottery Commission	2,743	2,799
Land Title Office – Assurance Fund	2,135	2,006
Crime Prevention and Victim Services	2,080	2,244
Historic Resources Trust Fund	1,069	1,027
Public Administrator	783	775
Public Service Group Insurance Benefit	367	352
Other	1,416	1,300
	$ 161,152	$ 164,375

19. Main Estimates

The Main Estimates comparative figures are from the Main Estimates approved in the Legislative Assembly in 2002. These figures do not reflect changes arising from Supplementary Estimates approved later in the year by the Legislative Assembly.

20. Commitments

At March 31, 2003 the Government had outstanding contractual obligations of $29.2 million (2002 - $37.5 million) for major capital projects. At that date, the estimated expenditures on these capital projects over the next three years were $85.3 million (2002 - $139.6 million), of which $43.3 million (2002 - $69.3 million) is 100% recoverable.

At March 31, 2003 the Government had annual building lease commitments of $6.9 million consisting of $5.7 million for rental costs and $1.2 million for operating costs. These leases are generally for three year terms.

The Government entered into a twenty year policing services contract with the RCMP in 1992. The estimated expenditure under this contract for 2003/2004 is $10.9 million.

In February 2003, the Government entered into a three-year air medical evacuation contract with Alkan Air Ltd. At March 31, 2003 the Government's minimum obligation under this contract was $4.2 million with an estimated expenditure for 2003/2004 of $2.5 million.

21. Overexpenditure

During the year, two (2002 - two) departments exceeded their votes with an aggregate total of $7,949,000 (2002 - $803,000). Overexpenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that "a vote does not authorize any payment to be made in excess of the amount specified in the vote".

The votes that were overexpended are as follows:

	(thousands of dollars)
Operations and maintenance	
Public Service Commission	$ 7,945
Office of the Ombudsman	4

22. Transfer of programs from Canada

On October 29, 2001, Canada and the Government signed the Yukon Northern Affairs Program Devolution Transfer Agreement, in which both parties agreed to transfer from Canada to the Government the resources and responsibilities associated with the Northern Affairs Program of the Department of Indian Affairs and Northern Development. The programs and responsibilities being transferred include land, water, forestry and mineral resources. The effective date of the transfer is April 1, 2003. As of that effective date, Canada is to provide on-going funding estimated at $33.7 million to the Government as well as one-time and transitional funding of, at a minimum, $23.2 million over the five years beginning the fiscal year 2003/2004.

23. Land claims

The Government, with Canada and the various Yukon First Nations, is engaged in the negotiation of aboriginal land claims (final) and self-government agreements. On February 14, 1995, Federal and Yukon legislation came into force giving effect to four Yukon First Nation Final Agreements, which incorporated the provisions of the Umbrella Final Agreement (UFA) and specific provisions for each First Nation, and four Self-Government Agreements. The UFA is a framework document signed by the Council for Yukon Indians, Canada, and the Government. Two more Yukon First Nation Final and Self-Government Agreements came into effect on October 1, 1997, another came into effect on September 15, 1998, and the latest came into effect on April 1, 2002. Negotiations are proceeding with the remaining six First Nations on an individual basis. As well, the Government, with Canada, has engaged in land claims negotiations with one transboundary First Nation and anticipates further transboundary negotiations. Any settlement of these claims will not result in a liability to the Government as they are to be funded by Canada.

The Government signed a bilateral funding agreement with Canada on June 24, 1993 that provides for funding towards the Government's additional implementation costs. Costs funded by this agreement include boards and councils established under the Yukon First Nation Final Agreements and implementation projects and activities. The Government expended $3.6 million during the year (2002 - $3.6 million) with cumulative expenditures of approximately $23.3 million (2002 - $19.7 million), of which $22.5 million (2002 - $19.0 million) was funded by Canada.

24. Contingencies

In the normal course of operations, the Government is subject to legal claims. At March 31, 2003 the Government estimated the total claimed amount to be about $2.7 million (2002 - $1.9 million). No liability has been admitted and no provision for claims is included in these financial statements.

25. Environmental liabilities

The Government recognizes that there could be a liability for restoration of the environment on the land that is administered and controlled by the Government (Commissioner's Land).

The Government does not actively search for contaminated sites, and is only aware of those that are brought to its attention. Consequently, there may be other as yet unidentified sites.

The Government has been informed of 37 sites on Commissioner's Land where environmental liabilities may exist. Of these, 12 sites are airports and are subject to the airport transfer agreements between the Government and Transport Canada that include remediation of contamination by Transport Canada; the Government is responsible for assessing and identifying areas of potential contamination. 20 sites are highway maintenance camps; these sites are either being assessed or awaiting assessment dependent on funding being available. There are also five other sites. One of these other sites has been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation*. The Government is not a Responsible Party for this site but may incur some future environmental liability as the landowner.

In those cases where the future cost of remediating sites is quantifiable, an estimated liability is accrued. As at March 31, 2003 these costs are not quantifiable, so no liability has been accrued.

Pursuant to the Yukon Northern Affairs Program Devolution Transfer Agreement which was made on October 29, 2001 (Note 22), effective April 1, 2003 the Government assumed administration and regulatory responsibility for nearly 900 waste sites. Canada, however, is to continue assuming the financial responsibility for a majority of those sites that were contaminated while under Canada's control. The Government will assume some potential liability for six sites for which Canada is released from further financial liability, and seven sites where the Government will remediate the sites and then seek reimbursement from Canada under the terms of the Agreement. As at March 31, 2003 the potential liability, if any, for these 13 sites has not been assessed.

26. Related parties

Related party transactions not disclosed elsewhere in the financial statements are as follows:

	2003	2002
	(thousands of dollars)	
Transfer payments		
Yukon Hospital Corporation	$ 21,851	$ 22,749
Yukon College	13,811	14,017
Yukon Legal Services Society	1,256	1,389
Yukon Arts Centre Corporation	656	568
Yukon Human Rights Commission	374	480
	$ 37,948	$ 39,203

27. Comparative figures

Certain comparative figures for 2002 have been reclassified to conform with the 2003 presentation.

GOVERNMENT OF YUKON

Schedule A

Consolidated Schedule of Revenues by Source
for the year ended March 31, 2003

	2003		2002
	Main Estimates (Note 19)	Actual	Actual
	(thousands of dollars)		
Grant from Canada (Note 15)	$ 346,004	$ 381,821	$ 348,646
Taxes and general revenues			
Income taxes	34,735	36,248	38,080
Other taxes	16,936	16,225	15,195
Licences, permits and fees	6,140	6,823	5,390
Oil and gas resource revenue	6,013	3,828	4,361
Liquor taxes	2,220	2,418	2,340
Aviation operations	746	728	809
Interest - bank and other	705	650	1,370
Other revenues	193	598	742
Fines	276	436	268
Gain on sale of lots	-	288	152
	67,964	68,242	68,707
Transfer payments from Canada			
Canada Health and Social Transfer	21,730	19,889	25,831
Investment income			
Yukon Development Corporation	-	4,654	5,567
Yukon Liquor Corporation	4,796	4,471	4,723
Yukon Government Fund Limited	-	224	128
	4,796	9,349	10,418
	$ 440,494	**$ 479,301**	**$ 453,602**

GOVERNMENT OF YUKON

Schedule B

Consolidated Schedule of Recoveries by Function
for the year ended March 31, 2003

	2003 Main Estimates (Note 19)	2003 Actual	2002 Actual
	(thousands of dollars)		
Operations and maintenance			
Health and social services	$ 15,378	$ 14,153	$ 14,805
Community and transportation	10,726	10,168	10,272
General government	6,663	6,419	4,271
Education	2,464	2,505	2,460
Justice	1,514	1,471	915
Natural resources	1,063	1,457	1,033
Business, tourism and culture	240	505	513
Interest	3,023	3,306	3,097
	$ 41,071	**$ 39,984**	**$ 37,366**
Capital			
Community and transportation	$ 30,667	$ 30,234	$ 22,490
General government	1,358	1,054	1,774
Natural resources	1,136	1,004	963
Health and Social Services	650	697	1,350
Business, tourism and culture	-	277	103
Education	100	112	610
Justice	-	111	56
	$ 33,911	**$ 33,489**	**$ 27,346**

GOVERNMENT OF YUKON

Schedule C

Consolidated Schedule of Expenditures by Function
for the year ended March 31, 2003

	2003		2002
	Main Estimates (Note 19)	Actual (Note 16)	Actual
	(thousands of dollars)		
Operations and maintenance			
Health and social services	$ 137,435	$ 142,572	$ 130,085
Education	92,328	92,083	90,338
Community and transportation	80,862	77,148	77,522
General government	62,211	71,089	58,972
Justice	34,003	33,935	35,321
Natural resources	22,083	22,358	21,980
Business, tourism and culture	14,401	14,662	14,625
Interest	3,376	2,647	2,740
	$ 446,699	**$ 456,494**	**$ 431,583**
Capital			
Community and transportation	$ 59,309	$ 61,489	$ 52,232
General government	18,472	9,752	11,516
Education	10,404	9,672	14,701
Natural resources	6,337	5,734	6,673
Health and Social Services	2,677	4,606	12,345
Business, tourism and culture	4,027	3,619	4,662
Justice	3,521	1,626	1,401
	$ 104,747	**$ 96,498**	**$ 103,530**

PART TWO

NON-CONSOLIDATED FINANCIAL STATEMENTS

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SECTION I

GOVERNMENT OF YUKON

FINANCIAL STATEMENTS

(unaudited)

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GOVERNMENT OF YUKON

Statement of Financial Position
as at March 31, 2003

	2003	2002
	(thousands of dollars)	
ASSETS		
Cash and cash equivalents (Note 4)	$ 1,072	$ 30,272
Temporary investments (Note 5)	-	11,046
Due from Canada (Note 6)	80,878	39,437
Accounts receivable (Note 7)	13,829	10,310
Inventories	3,148	3,666
Advances to Territorial corporations (Note 8)	38,612	39,062
Loans receivable (Note 9)	23,694	25,535
Land held for sale (Note 10)	22,114	25,396
Tangible capital assets, at a nominal value of one dollar (Note 11)	-	-
	$ 183,347	**$ 184,724**
LIABILITIES		
Bank indebtedness (Note 4)	$ 2,516	$ 4,072
Due to Canada (Note 6)	6,350	4,845
Accounts payable and accrued liabilities (Note 12)	41,695	43,777
Deferred revenues	9,020	8,223
Post-employment benefits (Note 13)	40,908	32,522
Long-term debt (Note 14)	8,161	8,296
	108,650	101,735
Contingencies, commitments and guarantees (Notes 10, 21, 23, 24, 25, 26 and 27)		
SURPLUS		
Accumulated surplus		
Surplus	67,695	43,804
Dedicated funds (Note 15)	2,000	34,500
	69,695	78,304
Restricted funds (Note 16)	5,002	4,685
	$ 183,347	**$ 184,724**

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

Approved:

Bruce McLennan, CMA
Deputy Head of the Department of Finance

Dennis Fentie
Minister of Finance

GOVERNMENT OF YUKON

Statement of Operations and Accumulated Surplus
for the year ended March 31, 2003

	2003		2002
	Main Estimates (Note 20)	Actual	Actual
		(thousands of dollars)	
Revenues (Schedule A)			
Grant from Canada (Note 15)	$ 346,004	$ 381,821	$ 348,646
Taxes and general revenues	72,760	72,273	73,390
Transfer payments from Canada	21,730	19,889	25,831
Recoveries (Schedule B)			
Operations and maintenance	31,007	30,284	28,318
Capital	33,661	33,017	26,829
	505,162	537,284	503,014
Expenditures (Note 17 and Schedule C)			
Operations and maintenance	436,635	448,912	424,551
Capital	104,497	95,271	100,119
	541,132	544,183	524,670
Recovery of prior years' expenditures	-	772	838
Deficit for the year	$ (35,970)	(6,127)	(20,818)
Accumulated surplus at beginning of year		78,304	99,122
Adjustment to accumulated surplus, beginning of year - change in accounting policy (Note 3)		(2,482)	-
Accumulated surplus at beginning of year, restated		75,822	99,122
Accumulated surplus at end of year		$ 69,695	$ 78,304

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF YUKON

Statement of Cash Flows
for the year ended March 31, 2003

	2003	2002
	(thousands of dollars)	
Operating activities		
Deficit for the year	$ (6,127)	$ (20,818)
Non-cash items included in deficit for the year		
Write-down of temporary investments	-	46
Provision for doubtful loans receivable and accounts receivable	(86)	926
Provision for write-down of land held for sale	3,026	-
Gain on sale of lots	(289)	(184)
Provision for post-employment benefits	8,386	-
Adjustment due to change in accounting policy (Note 3)	(2,482)	-
Changes in non-cash operating activities		
Decrease (increase) in temporary investments	11,046	(1,872)
Decrease (increase) in due from Canada	(41,441)	44,561
Decrease (increase) in accounts receivable	(3,432)	1,312
Decrease (increase) in inventories	518	(512)
Increase (decrease) in due to Canada	1,505	(749)
Increase (decrease) in accounts payable and accrued liabilities	(2,082)	5,488
Increase (decrease) in deferred revenues	797	(376)
Cash flows (used in) from operating activities	(30,661)	27,822
Investing activities		
Investment in land held for sale	(2,929)	(2,290)
Proceeds from sale of land held for sale	20	199
Advances to Territorial corporations	-	(5,360)
Repayment of advances from Territorial corporations	450	250
Loans advanced	(511)	(1,804)
Loans repaid	5,804	4,712
Increase (decrease) in restricted funds	318	(570)
Cash flows from (used in) investing activities	3,152	(4,863)
Financing activities		
Repayment of long-term debt	(135)	(127)
Cash flows used in financing activities	(135)	(127)
Net (decrease) increase in cash and cash equivalents	(27,644)	22,832
Cash and cash equivalents		
Beginning of year	26,200	3,368
End of year (Note 4)	**$ (1,444)**	**$ 26,200**
Supplemental information		
Interest paid in the year	$ 666	$ 690
Interest received in the year	1,602	1,997

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF YUKON

Statement of Tangible Capital Assets
for the year ended March 31, 2003

	Land	Buildings	Equipment	Vehicles	Computer hardware and software	Other*	2003 Total	2002 Total
				(thousands of dollars)				(Restated)**
Cost of tangible capital assets, opening	$ 3,808	$ 325,662	$ 56,922	$ 9,432	$ 17,477	$ 3,449	$ 416,750	$ 403,857
Acquisitions	220	29,935	1,441	965	1,288	-	33,849	13,606
Disposals	-	(1,768)	(1,487)	(426)	(13)	(67)	(3,761)	(713)
Cost of tangible capital assets, closing	4,028	353,829	56,876	9,971	18,752	3,382	446,838	416,750
Accumulated amortization, opening	-	121,182	29,880	5,422	10,784	1,981	169,249	156,019
Amortization expense	-	9,308	3,032	850	1,600	171	14,961	13,885
Write-downs	-	-	-	-	-	-	-	-
Disposals	-	(1,768)	(1,192)	(364)	(13)	(50)	(3,387)	(655)
Accumulated amortization, closing	-	128,722	31,720	5,908	12,371	2,102	180,823	169,249
Net book value	4,028	225,107	25,156	4,063	6,381	1,280	266,015	247,501
Work-in-progress	-	2,235	-	-	754	-	2,989	28,399
	$ 4,028	**$ 227,342**	**$ 25,156**	**$ 4,063**	**$ 7,135**	**$ 1,280**	**$ 269,004**	**$ 275,900**

* Includes portable classrooms, land fixtures and leasehold improvements.

** During the year, the value of the airports' assets, excluding the airport runways, which were transferred from Canada was established and included in the opening balances of all categories.

1. Authority and operations

The Government of Yukon (the Government) operates under the authority of the *Yukon Act* (Canada). All disbursements for operations and loans are authorized by the Yukon Legislative Assembly.

2. Significant accounting policies

(a) Financial statements

These financial statements are prepared on a non-consolidated basis for the purpose of determining the financial resources realistically available to the Government to meet its program responsibilities. Financial statements of the Yukon Housing Corporation, the Yukon Liquor Corporation, the Yukon Development Corporation and the Compensation Fund (Yukon) are reported on separately.

Net cost of operations of the Yukon Housing Corporation is included in the transfer payment to the Corporation. Yukon Liquor Corporation's net income, less acquisition of capital assets and related amortization, is included in revenues. Income of the Yukon Development Corporation and the Compensation Fund (Yukon) is retained within the entities and is, therefore, not reflected in these financial statements.

The Government also prepares a set of consolidated financial statements following the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(b) Basis of accounting

Revenues

Revenues are recorded on an accrual basis unless the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. The exceptions are as follows:

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by Canada under a tax collection agreement and are remitted to the Government monthly. The remittances are based on estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are completed. The remittances for the taxation year are recognized as revenues of the fiscal year in which the taxation year ends, together with known income tax adjustments arising in the fiscal year.

Revenue from general property tax, assessed on a calendar year basis, is recognized in the fiscal year in which the calendar year ends.

Expenditures

Operations, maintenance and capital expenditures are recorded on an accrual basis. Transfer payments are recorded as expenditures when paid or when the terms of a contractual transfer agreement have been met.

Lease payments under capital and operating leases are recorded respectively as capital and operations and maintenance expenditures.

Expenditures are recovered from Canada and other sources under various cost-sharing agreements including reconstruction of the Alaska Highway, social assistance and occupational training. The amounts are recorded as recoverable in the year in which the related expenditures are incurred. Any adjustments upon finalization are reflected in the accounts in the year of adjustment.

Recovery of prior years' expenditures includes reversal of amounts accrued in prior years which are in excess of actual expenses. These amounts cannot be used to increase the amount appropriated for expenditures for the current year.

Assets

Temporary investments are valued at the lower of cost and market value.

Inventories consist primarily of fuel and lubricants, repair parts, stationery and office supplies, highway materials, and engineering, building and maintenance supplies, and are valued at the lower of cost and replacement value. Other materials and supplies are charged to expenditures at the time of acquisition.

Loans receivable are stated at principal amounts. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable amount, are based on historical experience, current conditions and all circumstances known at the date of the preparation of the financial statements. Interest revenue is recognized on an accrual basis until such time that the collectibility of either principal or interest is not reasonably assured.

Land held for sale comprises the costs of acquiring, planning and developing serviced lots for eventual sale. The lots are valued at cost, except, when there has been a loss in value that is other than a temporary decline, in which case the lots are written down to recognize the loss. Gains or losses on the sale of lots are recognized at the time of sale.

Tangible capital assets are charged to expenditures at the time of acquisition or construction and are shown on the statement of financial position at a nominal value of one dollar.

Liabilities

Liabilities include financial claims payable by the Government and deferred revenues.

Deferred revenues are cash received for which goods and services have not been provided by year-end, and are comprised of remittances of income taxes for the first three months of the following taxation year together with motor vehicle licence fees and other items for the following fiscal year.

(c) Investments

The *Financial Administration Act* (Yukon) allows the Government to invest money from the consolidated revenue fund in the following investments:

- securities that are obligations of, or guaranteed by, Canada or a province;
- fixed deposits, notes, certificates and other short term paper of, or guaranteed by, a bank including swapped deposit transactions in currency of the United States of America;
- commercial paper issued by a company incorporated under the laws of Canada or a province, the securities of which are rated in the highest rating category by at least two recognized security rating institutions.

The duration of the securities held depends on cash projections but usually averages under a year in length.

(d) Grant and transfer payments from Canada

The grant is subject to the terms of a financial agreement with Canada and is receivable in monthly instalments. Periodic adjustments, as they become known, are made to the grant when income taxes, Canada Health and Social Transfer contributions and certain operating revenues and recoveries collected by the Government differ from the estimated amounts which were used to determine the grant for the fiscal year. Further adjustments are made in accordance with escalation and tax effort adjustment clauses in the agreement. Other adjustments may arise out of new federal initiatives or unforeseen events.

Transfer payments are received from Canada in accordance with the *Federal-Provincial Fiscal Arrangements Act*. Adjustments are made in accordance with the arrangements in the year they are known.

(e) Post-employment benefits

Post-employment benefits are expected to be provided after employment but before retirement to employees and their beneficiaries. These benefits include severance benefits and accumulated sick, vacation, compensatory and personal leave and travel bonus benefits that are paid in cash when the employee terminates. The Government recognizes the obligation for these benefits as a liability and uses an actuary to estimate the amount of the obligation.

(f) Retirement benefits

The Government's employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Government's contributions are recorded as expenditures on a current basis and represent the total pension obligations of the Government.

Retirement benefits to Members of the Legislative Assembly and judges are valued on an actuarial basis. Actuarial valuations of these benefits are performed triennially using the projected benefit method prorated on services. Actuarial gains and losses are amortized over the estimated average remaining service lives of the participants. The Government administers and accounts for the plan assets of the Legislative Assembly Retirement Allowances Plan as a trust asset. As the Government is not required to maintain a fund for the Territorial Court Judiciary Pension Plan, there are no assets for this fund. The accrued benefit liability for these plans, which is calculated as the accrued benefit obligation less plan assets, if any, adjusted by unamortized actuarial gains or losses, is included in accrued liabilities.

(g) Measurement uncertainty

The preparation of financial statements in accordance with these accounting policies requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenditures reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to the grant from Canada, the obligation for post-employment benefits and contingencies.

3. Change in accounting policy

During the year, the Government adopted, on a retroactive basis, the recommendations issued by the Canadian Institute of Chartered Accountants with respect to accounting for retirement benefits for members of the Legislative Assembly. The recommendations also require a change in the discount rate used to value pension benefit obligations and service costs from an estimated long-term rate to a market-based interest rate.

The effect of this change in accounting policy has been recorded on a retroactive basis with a charge to opening accumulated surplus and no restatement of prior financial statements. The effect on the opening accumulated surplus was a reduction of $2,482,000.

4. Cash and cash equivalents/Bank indebtedness

	2003	2002
	(thousands of dollars)	
Short-term investments	$ 1,008	$ 30,211
Cash on hand	64	61
	1,072	30,272
Bank indebtedness	(2,516)	(4,072)
	$ (1,444)	$ 26,200

Cash and cash equivalents include cash on hand, balances with banks and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

5. Temporary investments

	2003		2002	
	Market Value	Book Value	Market Value	Book Value
	(thousands of dollars)			
Mid-term notes	$ -	$ -	$ 5,125	$ 5,120
Commercial paper	-	-	4,976	4,987
Government of Canada coupons	-	-	945	983
	$ -	$ -	$ 11,046	$ 11,090

Temporary investments during the year had a weighted average effective yield of 3.5%, (2002 – 2.9%) per annum.

6. Due from/to Canada

	2003	2002
	(thousands of dollars)	
Due from Canada		
Cost-sharing agreements and projects delivered on behalf of Canada	$ 40,908	$ 35,835
Federal grant receivable	39,947	3,587
Other	23	15
	$ 80,878	$ 39,437
Due to Canada		
RCMP	$ 3,430	$ 2,801
Superannuation contribution payable	1,735	-
Income tax payable	825	-
Devolution funding repayable	-	1,322
Other	360	722
	$ 6,350	$ 4,845

Amounts due from and due to Canada are payable on demand and are non-interest bearing. The carrying amounts approximate fair market values because of their short term to maturity.

7. Accounts receivable

	2003	2002
	(thousands of dollars)	
Taxes, interest and other revenue receivables	$ 10,317	$ 10,393
Less valuation allowances	(3,452)	(3,292)
	6,865	7,101
Due from Territorial corporations	6,098	2,400
Prepaid expenses	866	809
	$ 13,829	$ 10,310

8. Advances to Territorial corporations

	2003	2002
	(thousands of dollars)	
Yukon Housing Corporation Working capital advances	$ 38,612	$ 39,062

The advances are interest free and have various repayment terms.

9. Loans receivable

	2003	2002
	(thousands of dollars)	
Debenture loans to municipalities, due in varying annual amounts to the year 2026, bearing interest rates ranging from 5.0% to 13.3%	$ 9,855	$ 11,430
Business development assistance loans, due in varying annual amounts with varying terms, bearing interest rates ranging from 0.0% to 13.6%	4,427	4,996
Loan to Yukon Housing Corporation, due in equal annual instalments to the year 2028, bearing interest at 0.0%	3,505	3,642
Due from Yukon Housing Corporation for lands agreements, due in periodic instalments to the year 2007, bearing interest at 0.0%	2,973	2,719
Local improvement loans, due in varying annual amounts to the year 2031, bearing interest rates ranging from 2.3% to 13.5%	2,217	1,946
Loan to Yukon Housing Corporation, due in periodic instalments to the year 2014, bearing interest at 0.0%	1,651	1,804
Loan to Yukon Housing Corporation, due in periodic instalments to the year 2021, bearing interest at 0.0%	280	297
Energy infrastructure development loan, due in periodic instalments to the year 2005, bearing interest at 6.4%	205	205
Energy conservation loans due in varying annual amounts with varying rates of interest	182	184
Loan to Yukon Government Fund Limited, with no repayment terms, bearing interest at 0.0%	116	115
Agreements for sale, due in varying annual amounts over a three or five year term to the year 2006, bearing interest rates ranging from 5.0% to 8.5%	117	29
Less valuation allowances	(1,834)	(1,832)
	$ 23,694	$ 25,535

10. Land held for sale

	2003	2002
	(thousands of dollars)	
Raw land	$ 45	$ 45
Land under development	9,517	13,879
Finished land	12,552	11,472
	$ 22,114	$ 25,396

Land held for sale is affected by the Yukon First Nations land claims negotiations. At March 31, 2003, $4.4 million (2002 - $2.7 million) of finished land is included in the scope of existing land claims. Recovery of costs of the land selected in land claims settlements is to be provided for by Canada as per provisions of the Bilateral Agreement of June 24, 1993.

11. Tangible Capital Assets

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year and are intended to be used on an ongoing basis for delivering services.

The Government is in the process of accumulating information on all of its tangible capital assets. As each asset category is completed, cost and amortization information will be presented in the statement of tangible capital assets. For example, infrastructure costs for roads and bridges have yet to be determined.

In the statement of tangible capital assets, tangible capital assets are reported at cost. Tangible capital assets transferred from Canada are reported at their fair market value at the date of transfer or, if it is not available, at the appraised value at various appraisal dates. Tangible capital assets that are held and available for use by the Government are reported based on the following capitalization thresholds and estimated useful lives.

Asset category	Threshold	Estimated useful life
Land	Nil	N/A
Buildings	$50,000	40 years
Portable classrooms/housing trailers	$50,000	20 years
Land improvements and fixtures	$50,000	20 years
Heavy equipment	$10,000	7 - 30 years
Operating equipment	$10,000	7 - 25 years
Vehicles	$10,000	6 - 15 years
Computer hardware	$10,000	5 years
Computer software	$100,000	7 years
Leasehold improvements	$50,000	Lease term

Tangible capital assets under construction or development are reported as work-in-progress with no amortization until the asset is placed in service. The Government owns and/or maintains various historical sites. The Government also holds works of art with a total insured value of $2 million. Works of art and historical treasures are not included in the Statement of Tangible Capital Assets.

12. Accounts payable and accrued liabilities

	2003	2002
	(thousands of dollars)	
Accrued liabilities	$ 23,990	$ 22,714
Accounts payable	13,037	14,544
Due to Territorial corporations	3,055	3,433
Contractors' holdbacks and security deposits	1,613	3,086
	$ 41,695	$ 43,777

13. Post-employment benefits

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method pro-rated on service. The obligation for compensatory and personal leave and travel bonus benefits is calculated assuming all employees would cash in those benefits on valuation date. In projecting the accrued obligation for these benefits as at March 31, 2003, the actuary used, as economic assumptions, the liability discount rate of 7.0%, the annual rates of general salary increases of 3.0% and the annual rate of inflation of 3.0%.

Expenses related to post-employment benefits for the year ended March 31, 2003 were $11,335,000 (2002 - $2,485,000). At March 31, 2002 the Government limited the post-employment benefits liability to the level established for the previous year. The effect of this capping of the liability was an understatement of expenditures for the year ended March 31, 2002 by $7,195,000. At March 31, 2003, the Government fully recognized the post-employment benefits liability based on the actuarial valuation. The current year's expenses of $11,335,000 include the expenses that are applicable to the previous year. Benefits paid by the Government from the post-employment benefits liability during the year amounted to $2,948,000 (2002 - $2,485,000).

14. Long-term debt

	2003	2002
	(thousands of dollars)	
Loan from Yukon Housing Corporation, repayable in monthly blended payments until the year 2028, bearing interest at an annual rate of 7.0%	$ 4,384	$ 4,445
Loans from Canada, repayable in annual instalments with maturities up to the year 2008, bearing fixed interest rates ranging from 6.1% to 11.1%	3,742	3,786
Other debentures, repayable in semi-annual instalments with maturities up to the year 2004, bearing a fixed interest rate of 13.0%	35	65
	$ 8,161	$ 8,296

Principal repayment and interest requirements over the next five years on outstanding loans are as follows:

	Principal	Interest	Total
		(thousands of dollars)	
2004	$ 116	$ 667	$ 783
2005	70	658	728
2006	75	653	728
2007	652	648	1,300
2008	3,240	464	3,704

15. Grant from Canada

	2003	2002
	(thousands of dollars)	
Formula Financing grant entitlement	$ 366,278	$ 348,347
Adjustments in respect of:		
Census one-time	15,187	-
Formula financing escalators	(1,524)	238
Tax effort adjustment	(2,949)	2,753
Own source revenues and recoveries	5,326	(1,875)
Formula Financing grant	382,318	349,463
Less oil and gas revenue offset	(497)	(817)
Grant from Canada per Schedule of Revenues (Schedule A)	$ 381,821	$ 348,646

The Government receives a grant from Canada according to an agreed formula. The current Formula Financing Agreement with Canada is in effect for the period April 1, 1999 to March 31, 2004.

The Formula Financing grant calculation was finalized using July 1 population statistics released by Statistics Canada on September 25, 2003. This resulted in increased Formula Financing grant revenue of $23.7 million.

On March 28, 2001, the Government reached an agreement with Canada on outstanding formula financing issues. This agreement resulted in the Government receiving a one-time retroactive payment of approximately $36 million. As at March 31, 2001, the Government created dedicated funds with the $36 million. As at March 31, 2003, $2 million were set aside as dedicated funds.

	2003	2002
	(thousands of dollars)	
Canada winter games infrastructure fund	$ 2,000	$ 8,000
Contingency reserve	-	15,000
Yukon permanent fund	-	10,000
Endowment funds	-	1,500
	$ 2,000	$ 34,500

16. Restricted funds

	2003	2002
	(thousands of dollars)	
Road and Airport Equipment Reserve Fund	$ 2,639	$ 2,255
Vehicle Fleet Revolving Fund	1,377	1,483
Health Investment Fund	341	191
Recycling Fund	286	335
Property Management Revolving Fund	249	249
Queen's Printer Revolving Fund	110	172
	$ 5,002	$ 4,685

17. Expenditures by object

	2003	2002
	(thousands of dollars)	
Operations and maintenance		
Personnel	$ 212,855	$ 195,911
Transfer payments	95,808	93,204
Contract and special services	74,620	71,094
Materials, supplies and utilities	40,434	39,423
Communication and transportation	17,383	16,329
Other	7,812	8,590
	$ 448,912	$ 424,551
Capital		
Building and infrastructure	$ 62,448	$ 67,833
Transfer payments	18,908	20,886
Equipment	6,484	7,027
Other	7,431	4,373
	$ 95,271	$ 100,119

18. Pension plans

(a) Public Service Superannuation Plan

The Government's employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Government contributes at a rate of 2.14 times the employee's contribution. The Government's contributions to the Public Service Superannuation Plan during the year and recorded as expenditures were $17,454,000 (2002 - $16,575,000).

(b) Legislative Assembly Retirement Allowances Plan

The Legislative Assembly Retirement Allowances Plan is a contributory defined benefit pension plan. In addition to retirement allowances, the plan also contains a provision for payment of lump sum death and severance allowances. These benefits are based on service and/or earnings. The Government administers the Legislative Assembly Retirement Allowances Fund, and reports the Fund as a trust asset external to the Government of Yukon reporting entity (Note 19).

The *Legislative Assembly Retirement Allowances Act* (Yukon) stipulates that actuarial valuations of the obligation for these benefits must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. These assumptions reflect the best estimates of expected long-term rates and short-term forecasts accepted by the Members' Services Board of the Legislative Assembly. The last completed actuarial valuation was as at March 31, 2002. The accrued benefit obligation shown for 2003 is based on an extrapolation of that 2002 valuation.

(c) Territorial Court Judiciary Pension Plan

The *Territorial Court Judiciary Pension Plan Act* (Yukon) was enacted in May 2001, with an effective date of September 18, 1998. The Territorial Court Judiciary Pension Plan is a non-contributory defined benefit pension plan, and the Government is not required to maintain a fund for this plan.

The actuarial report was prepared at March 31, 2002. The accrued benefit obligation shown for 2003 is based on an extrapolation of that 2002 valuation.

The following presents the financial position of the Government's pension plans at March 31, 2003. Pension plan assets are valued at the lower of cost and market.

	Legislative Assembly Retirement Allowance Plan	Territorial Court Judiciary Pension Plan
	(thousands of dollars)	
Accrued benefit obligation		
Obligation at beginning of year	$ 15,981	$ 1,871
Current service costs	718	109
Interest cost on benefit obligation	959	134
Benefits paid	(608)	-
Accrued benefit obligation at end of year	$ 17,050	$ 2,114
Pension plan assets		
Value at beginning of year	$ 13,498	$ -
Actual return on plan assets	964	-
Government contributions	3,143	-
Member contributions	63	-
Benefits paid	(608)	-
Value at end of year	$ 17,060	$ -
Funded status – plan surplus (deficit)	$ 10	$ (2,114)
Unamortized net actuarial (gain) loss	(146)	23
Accrued benefit liability	$ (136)	$ (2,091)
Net pension expense		
Current service costs (net of member contributions)	$ 647	$ 109
Interest cost on benefit obligation	959	134
Expected return on plan assets	(810)	-
Amortization of net actuarial gain	-	(2)
	$ 796	$ 241
Assumptions		
Expected long-term rate of return on assets	6.0%	N/A
Discount rate on projected benefit obligation	6.0%	7.0%
Inflation	3.0%	3.5%
Rate of compensation increase	* 3.0%	** 3.5%
Amortization period (expected average remaining service life)	8 years	4 years

* Annual rates of increase in indemnities and expense allowances. No salary increases are assumed.
** Increase to $178,000 on April 1, 2003, assumed rate thereafter.

19. Trust assets

The Government administers trust accounts on behalf of third parties which are not included in the Government's assets. Trust assets are invested primarily in short-term and long-term bonds. Investments are valued at the lower of cost and market. Any other assets held under administration such as property, securities and valuables are reflected in trust accounts only upon conversion to cash.

	2003	2002
	(thousands of dollars)	
Legislative Assembly Retirement Allowances (Note 18(b))	$ 17,060	$ 13,498
Lottery Commission	2,743	2,799
Land Title Office – Assurance Fund	2,135	2,006
Crime Prevention and Victim Services	2,080	2,244
Historic Resources Trust Fund	1,069	1,027
Public Administrator	783	775
Public Service Group Insurance Benefit	367	352
Other	1,416	1,300
	$ 27,653	$ 24,001

20. Main Estimates

The Main Estimates comparative figures are from the Main Estimates approved in the Legislative Assembly in 2002. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Legislative Assembly.

21. Commitments

At March 31, 2003 the Government had outstanding contractual obligations of $29.2 million (2002 - $37.1 million) for major capital projects. At that date, the estimated expenditures on these capital projects over the next three years were $85.3 million (2002 - $139.2 million), of which $43.3 million (2002 - $69.3 million) is 100% recoverable.

At March 31, 2003 the Government had annual building lease commitments of $6.9 million consisting of $5.7 million for rental costs and $1.2 million for operating costs. These leases are generally for three year terms.

The Government entered into a twenty year policing services contract with the RCMP in 1992. The estimated expenditure under this contract for 2003/2004 is $10.9 million.

In February 2003, the Government entered into a three-year air medical evacuation contract with Alkan Air Ltd. At March 31, 2003 the Government's minimum obligation under this contract was $4.2 million with an estimated expenditure for 2003/2004 of $2.5 million.

22. Overexpenditure

During the year, two (2002 - two) departments exceeded their votes with an aggregate total of $7,949,000 (2002 - $803,000). Overexpenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that "a vote does not authorize any payment to be made in excess of the amount specified in the vote".

The votes that were overexpended are as follows:

	(thousands of dollars)
Operations and maintenance	
Public Service Commission	$ 7,945
Office of the Ombudsman	4

23. Guarantees

The Government has guaranteed repayment of loans payable by the Yukon Housing Corporation of $24.7 million (2002 - $25.5 million), debts of the Yukon Development Corporation of $43.5 million (2002 - $44.4 million) and business loans totalling $1.0 million (2002 - $1.1 million). In addition, the Government has guaranteed an operating demand overdraft facility to the Yukon Housing Corporation of up to $11.0 million and to the Yukon Energy Corporation of up to $10.0 million. It is expected that no significant costs will be incurred by the Government with respect to these guarantees.

24. Transfer of programs from Canada

On October 29, 2001, Canada and the Government signed the Yukon Northern Affairs Program Devolution Transfer Agreement, in which both parties agreed to transfer from Canada to the Government the resources and responsibilities associated with the Northern Affairs Program of the Department of Indian Affairs and Northern Development. The programs and responsibilities being transferred include land, water, forestry and mineral resources. The effective date of the transfer is April 1, 2003. As of that effective date, Canada is to provide to the Government on-going funding estimated at $33.7 million to the Government as well as one-time and transitional funding of, at a minimum, $23.2 million over the five years beginning the fiscal year 2003/2004.

25. Land claims

The Government, with Canada and the various Yukon First Nations, is engaged in the negotiation of aboriginal land claims (final) and self-government agreements. On February 14, 1995, Federal and Yukon legislation came into force giving effect to four Yukon First Nation Final Agreements, which incorporated the provisions of the Umbrella Final Agreement (UFA) and specific provisions for each First Nation, and four Self-Government Agreements. The UFA is a framework document signed by the Council for Yukon Indians, Canada, and the Government. Two more Yukon First Nation Final and Self-Government Agreements came into effect on October 1, 1997, another came into effect on September 15, 1998, and the latest came into effect on April 1, 2002. Negotiations are proceeding with the remaining six First Nations on an individual basis. As well, the Government, with Canada, has engaged in land claims negotiations with one transboundary First Nation and anticipates further transboundary negotiations. Any settlement of these claims will not result in a liability to the Government as they are to be funded by Canada.

The Government signed a bilateral funding agreement with Canada on June 24, 1993 that provides for funding towards the Government's additional implementation costs. Costs funded by this agreement include boards and councils established under the Yukon First Nation Final Agreements and implementation projects and activities. The Government expended $3.6 million during the year (2002 - $3.6 million) with cumulative expenditures of approximately $23.3 million (2002 - $19.7 million), of which $22.5 million (2002 - $19.0 million) was funded by Canada.

26. Contingencies

In the normal course of operations, the Government is subject to legal claims. At March 31, 2003 the Government estimated the total claimed amount to be about $2.7 million (2002 - $1.9 million). No liability has been admitted and no provision for claims is included in these financial statements.

27. Environmental liabilities

The Government recognizes that there could be a liability for restoration of the environment on the land that is administered and controlled by the Government (Commissioner's Land).

The Government does not actively search for contaminated sites, and is only aware of those that are brought to its attention. Consequently, there may be other as yet unidentified sites.

The Government has been informed of 37 sites on Commissioner's Land where environmental liabilities may exist. Of these, 12 sites are airports and are subject to the airport transfer agreements between the Government and Transport Canada that include remediation of contamination by Transport Canada; the Government is responsible for assessing and identifying areas of potential contamination. 20 sites are highway maintenance camps; these sites are either being assessed or awaiting assessment dependent on funding being available. There are also five other sites. One of these other sites has been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation*. The Government is not a Responsible Party for this site but may incur some future environmental liability as the landowner.

In those cases where the future cost of remediating sites is quantifiable, an estimated liability is accrued. As at March 31, 2003 these costs are not quantifiable, so no liability has been accrued.

Pursuant to the Yukon Northern Affairs Program Devolution Transfer Agreement which was made on October 29, 2001 (Note 24), effective April 1, 2003 the Government assumed administration and regulatory responsibility for nearly 900 waste sites. Canada, however, is to continue assuming the financial responsibility for a majority of those sites that were contaminated while under Canada's control. The Government will assume some potential liability for six sites for which Canada is released from further financial liability, and seven sites where the Government will remediate the sites and then seek reimbursement from Canada under the terms of the Agreement. As at March 31, 2003 the potential liability, if any, for these 13 sites has not been assessed.

28. Related parties

Related party transactions not disclosed elsewhere in the financial statements are as follows:

	2003	2002
	(thousands of dollars)	
Revenues/Recoveries from:		
Compensation Fund (Yukon)	$ 911	$ 912
Yukon Liquor Corporation	786	285
Yukon Lotteries Commission	608	552
Yukon Development Corporation	211	197
Yukon College	209	179
Yukon Housing Corporation	198	611
Yukon Hospital Corporation	21	20
Yukon Arts Centre Corporation	1	1
	$ 2,945	$ 2,757
Expenditures to:		
Yukon Hospital Corporation	$ 21,851	$ 22,749
Yukon College	14,047	14,291
Yukon Development Corporation	10,208	7,282
Compensation Fund (Yukon)	3,288	3,378
Yukon Housing Corporation	2,235	2,970
Yukon Legal Services Society	1,256	1,389
Yukon Arts Centre Corporation	662	574
Yukon Human Rights Commission	374	480
	$ 53,921	$ 53,113

29. Comparative figures

Certain comparative figures for 2002 have been reclassified to conform with the 2003 presentation.

GOVERNMENT OF YUKON

Schedule A

Schedule of Revenues
for the year ended March 31, 2003

	2003		2002
	Main Estimates (Note 20)	Actual	Actual
	(thousands of dollars)		
Grant from Canada (Note 15)	$ 346,004	$ 381,821	$ 348,646
Taxes and general revenues			
Income taxes	34,735	36,248	38,080
Other taxes	16,936	16,225	15,195
Licences, permits and fees	6,140	6,828	5,394
Yukon Liquor Corporation - net income	4,796	4,391	4,920
Oil and gas resource revenue	6,013	3,828	4,361
Liquor taxes	2,220	2,418	2,340
Aviation operations	746	728	809
Interest - bank and other	705	635	1,344
Fines	276	436	268
Gain on sale of lots	-	289	185
Other revenues	193	247	494
	72,760	72,273	73,390
Transfer payments from Canada			
Canada health and social transfer	21,730	19,889	25,831
	$ 440,494	**$ 473,983**	**$ 447,867**

GOVERNMENT OF YUKON

Schedule B

Schedule of Recoveries
for the year ended March 31, 2003

	2003				2002	
	Main Estimates (Note 20)		Actual		Actual	
			(thousands of dollars)			
Operations and maintenance						
Health and Social Services	$	15,378	$	14,232	$	15,254
Executive Council Office		4,722		4,442		2,351
Infrastructure		3,774		3,646		3,873
Education		2,464		2,505		2,460
Justice		1,514		1,471		915
Community Services		1,025		1,118		1,106
Environment		929		1,004		816
Business, Tourism and Culture		240		505		513
Energy Mines and Resources		134		453		217
Finance		16		107		6
Public Service Commission		45		17		23
Office of the Ombudsman		-		17		(1)
Interest		766		767		785
	$	**31,007**	**$**	**30,284**	**$**	**28,318**
Capital						
Infrastructure	$	25,708	$	29,371	$	22,640
Community Services		5,817		4,869		4,184
Energy, Mines and Resources		1,136		1,004		961
Health and Social Services		650		697		1,350
Business, Tourism and Culture		-		277		207
Education		100		112		610
Justice		-		111		56
Environment		-		-		18
Finance		250		-		-
	$	**33,661**		36,441		30,026
Less: Community Services						
land recoveries transferred to land held for sale				3,184		3,006
local improvement recoveries transferred to loans receivable				240		175
Energy, Mines and Resources						
land recoveries transferred to land held for sale				-		16
			$	**33,017**	**$**	**26,829**

GOVERNMENT OF YUKON

Schedule C

Schedule of Expenditures
for the year ended March 31, 2003

	2003 Main Estimates (Note 20)	Actual 2003 Personnel	Actual 2003 Transfer Payments	Actual 2003 Other	Actual 2003 Total Expenditures (Note 17)	2002 Actual
			(thousands of dollars)			
Operations and maintenance						
Health and Social Services	$ 137,742	$ 47,764	$ 46,128	$ 49,381	$ 143,273	$ 130,760
Education	92,328	60,944	18,620	12,537	92,101	90,357
Infrastructure	66,634	24,979	300	40,469	65,748	67,051
Justice	34,003	14,645	3,117	16,173	33,935	35,321
Community Services	30,838	8,130	20,260	2,513	30,903	30,610
Public Service Commission	11,598	18,907	-	2,041	20,948	11,790
Environment	15,587	10,602	743	4,069	15,414	15,169
Executive Council Office	15,423	9,548	2,625	2,910	15,083	12,416
Business, Tourism and Culture	14,401	5,887	3,056	5,719	14,662	14,625
Energy, Mines and Resources	6,496	4,301	504	2,139	6,944	6,811
Yukon Legislative Assembly	3,346	5,313	-	777	6,090	3,148
Finance	4,866	3,904	656	639	5,199	4,914
Elections Office	200	121	-	499	620	307
Office of the Ombudsman	343	292	-	86	378	328
Yukon Housing Corporation (Transfer Payment)	2,459	-	(201)	-	(201)	623
Interest on Loans	371	-	-	358	358	378
	$ 436,635	215,337	95,808	140,310	451,455	424,608
Less: Health and Social Services loan payments transferred to long-term debt		-	-	61	61	57
Legislative Assembly adjustment due to change in accounting policy (Note 3)		2,482	-	-	2,482	-
		$ 212,855	$ 95,808	$ 140,249	$ 448,912	$ 424,551

GOVERNMENT OF YUKON

Schedule C
Continued

Schedule of Expenditures
for the year ended March 31, 2003

	2003	Actual 2003				2002
	Main Estimates (Note 20)	Personnel	Transfer Payments	Other	Total Expenditures (Note 17)	Actual
		(thousands of dollars)				
Capital						
Infrastructure	$ 48,123	$ 4,733	$ 1,828	$ 45,120	$ 51,681	$ 43,327
Community Services	13,449	863	6,763	8,448	16,074	15,815
Education	10,404	677	1,573	7,422	9,672	14,701
Energy, Mines and Resources	5,058	1,313	1,096	2,330	4,739	5,198
Health and Social Services	2,677	-	461	4,145	4,606	12,345
Business, Tourism and Culture	4,027	671	1,857	1,091	3,619	4,662
Yukon Development Corporation (Transfer Payment)	3,000	-	3,000	-	3,000	-
Yukon Housing Corporation (Transfer Payment)	2,296	-	1,790	-	1,790	1,697
Justice	3,521	80	-	1,546	1,626	1,401
Environment	1,279	194	30	813	1,037	1,475
Executive Council Office	10,350	-	510	160	670	1,942
Finance	280	-	-	102	102	113
Public Service Commission	5	-	-	59	59	34
Yukon Legislative Assembly	20	-	-	19	19	9
Elections Office	3	-	-	12	12	2
Office of the Ombudsman	5	-	-	5	5	5
	$ 104,497	8,531	18,908	71,272	98,711	102,726
Less: Community Services						
land development costs transferred to land held for sale		402	-	2,485	2,887	2,290
local improvement costs transferred to loans receivable		-	-	511	511	317
Energy, Mines and Resources						
land development costs transferred to land held for sale		-	-	42	42	-
		$ 8,129	$ 18,908	$ 68,234	$ 95,271	$ 100,119

SECTION II

SUPPLEMENTARY FINANCIAL INFORMATION

(unaudited)

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GOVERNMENT OF YUKON

Schedule 1

Comparative Schedule of Revenues
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Taxation			
Income taxes	$ 36,247,821	$ 38,079,989	$ (1,832,168)
Fuel tax	6,926,773	6,720,403	206,370
Tobacco tax	5,970,189	5,146,152	824,037
Liquor tax	2,418,697	2,339,835	78,862
General property tax	1,939,788	2,074,464	(134,676)
Insurance premium tax	1,185,082	1,061,841	123,241
Grants in lieu of property tax	203,254	191,897	11,357
	54,891,604	55,614,581	(722,977)
Licences, Permits and Fees			
Motor vehicle	3,295,363	2,781,374	513,989
Business and professional	1,845,127	1,065,007	780,120
Game and campground	916,170	770,951	145,219
Community services	222,619	255,653	(33,034)
Justice	183,752	153,721	30,031
Vacation guide advertising revenue	153,750	146,714	7,036
Yukon Beringia Interpretive Centre	69,902	72,224	(2,322)
Health and Social Services	47,510	41,595	5,915
Education	32,440	27,130	5,310
Energy, Mines and Resources	21,545	22,071	(526)
Infrastructure	21,489	29,492	(8,003)
Environment	9,710	10,320	(610)
Loan guarantee	8,116	17,298	(9,182)
	6,827,493	5,393,550	1,433,943
Interest			
Bank and investment	366,968	940,370	(573,402)
Finance loans	100,964	127,012	(26,048)
Local improvement	97,856	95,706	2,150
Delinquent accounts	60,180	178,949	(118,769)
Land sale agreements	9,458	2,593	6,865
	635,426	1,344,630	(709,204)

GOVERNMENT OF YUKON

Schedule 1

Comparative Schedule of Revenues
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Fines			
Territorial Court	$ 431,047	$ 260,147	$ 170,900
Library fines	4,611	8,000	(3,389)
	435,658	268,147	167,511
Other			
Land leases	71,137	78,628	(7,491)
Management fee	66,000	346,500	(280,500)
Photocopier	9,002	7,474	1,528
Sale of photographs	6,719	6,033	686
Rental of audio-visual equipment	1,396	2,200	(804)
Currency exchange	(9,279)	20,151	(29,430)
Sundry	101,494	32,881	68,613
	246,469	493,867	(247,398)
General			
Yukon Liquor Corporation - net income	4,391,203	4,919,795	(528,592)
Oil and gas resource revenue	3,827,997	4,360,791	(532,794)
Aviation operations	727,856	809,019	(81,163)
Gain on sale of lots	289,249	185,417	103,832
	9,236,305	10,275,022	(1,038,717)
	$ 72,272,955	**$ 73,389,797**	**$ (1,116,842)**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Revenues	Under (Over) Estimates
Business, Tourism and Culture					
Vacation guide advertising revenue	$ 140,000	$ -	$ 140,000	$ 153,750	$ (13,750)
Archives - photocopier fees	6,000	-	6,000	1,805	4,195
Archives - sale of photographs	6,000	-	6,000	6,719	(719)
Yukon Beringia Interpretive Centre	80,000	-	80,000	69,902	10,098
	232,000	-	**232,000**	**232,176**	**(176)**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Revenues	Under (Over) Estimates
Community Services					
Fuel storage tank permits	$ 4,000	$ -	$ 4,000	$ 3,177	$ 823
Interest on local improvement	129,000	-	129,000	97,856	31,144
General property tax	2,200,000	-	2,200,000	1,939,788	260,212
Grant in lieu of property tax	215,000	(12,000)	203,000	203,254	(254)
Taxation interest/penalties	-	-	-	45,336	(45,336)
Property subdivision application fee	7,000	-	7,000	6,307	693
Private vehicle licences	959,000	-	959,000	1,132,700	(173,700)
Commercial vehicle licences	1,614,000	-	1,614,000	1,770,569	(156,569)
Miscellaneous motor vehicle revenue	295,000	-	295,000	313,248	(18,248)
Library fines	11,000	-	11,000	4,611	6,389
Rental of equipment	3,000	-	3,000	1,396	1,604
Photocopier fees	7,000	-	7,000	7,197	(197)
Professional/consumer licensing	161,000	320,000	481,000	502,853	(21,853)
Business/corporate licensing	1,376,000	(200,000)	1,176,000	1,342,282	(166,282)
Public safety	245,000	-	245,000	212,935	32,065
Gain on sale of lots	-	-	-	138,027	(138,027)
Lands					
- land leases	-	-	-	3,000	(3,000)
- administration/interest	-	-	-	7,988	(7,988)
Labour services	-	-	-	4,011	(4,011)
Municipal Appeal Board fee	-	-	-	200	(200)
	7,226,000	108,000	7,334,000	7,736,735	(402,735)

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Revenues	Under (Over) Estimates
Education					
Extension programs fees	$ 24,000	$ (19,000)	$ 5,000	$ 16,056	$ (11,056)
Summer school fees	10,000	-	10,000	8,000	2,000
Adult French class fees	10,000	(10,000)	-	-	-
Computer camp fees	10,000	-	10,000	7,590	2,410
Apprenticeship certification	1,000	-	1,000	794	206
	55,000	**(29,000)**	**26,000**	**32,440**	**(6,440)**
Energy, Mines and Resources					
Grazing land lease fees	3,000	-	3,000	3,837	(837)
Lands					
- undeveloped land sales	-	-	-	151,222	(151,222)
- land sale fees	35,000	-	35,000	17,708	17,292
- land leases	75,000	-	75,000	68,137	6,863
- administration/interest	15,000	-	15,000	1,470	13,530
Oil and gas resource revenue					
- royalties	6,000,000	(2,500,000)	3,500,000	3,815,188	(315,188)
- rentals	13,000	-	13,000	12,809	191
Sale of maps	5,000	(2,000)	3,000	2,445	555
	6,146,000	**(2,502,000)**	**3,644,000**	**4,072,816**	**(428,816)**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Revenues	Under (Over) Estimates
Environment					
Campground permits	$ 286,000	$ -	$ 286,000	$ 279,648	$ 6,352
Wilderness tourism licensing	8,000	-	8,000	8,935	(935)
Hunting licences and seals	322,000	-	322,000	371,045	(49,045)
Trapping and fur licences	6,000	-	6,000	5,220	780
Fishing licences	250,000	-	250,000	243,571	6,429
Outfitting fees	10,000	-	10,000	16,686	(6,686)
Environmental permit fees	-	-	-	775	(775)
	882,000	-	**882,000**	**925,880**	**(43,880)**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Revenues	Under (Over) Estimates
Finance					
Operating grant	$ 346,004,000	$ 1,244,000	$ 347,248,000	$ 381,821,055	$ (34,573,055)
Canada health and social transfer	21,730,000	-	21,730,000	19,888,673	1,841,327
Personal income tax	30,247,000	(223,000)	30,024,000	32,144,235	(2,120,235)
Corporate income tax	4,488,000	581,000	5,069,000	4,103,586	965,414
Fuel oil tax - diesel	2,667,000	22,000	2,689,000	2,727,062	(38,062)
Fuel oil tax - other	3,780,000	196,000	3,976,000	4,199,711	(223,711)
Insurance premium tax	925,000	68,000	993,000	1,185,082	(192,082)
Tobacco tax	7,149,000	(477,000)	6,672,000	5,970,189	701,811
Banking and investment	450,000	(150,000)	300,000	366,968	(66,968)
Interest on accounts receivable	10,000	-	10,000	14,844	(4,844)
Exchange	4,000	-	4,000	(9,279)	13,279
YEAP and SEAL loan interest	1,000	-	1,000	549	451
Business loan interest	100,000	-	100,000	100,415	(415)
Loan guarantee fees	2,000	-	2,000	8,116	(6,116)
Miscellaneous revenue	87,000	-	87,000	95,038	(8,038)
	417,644,000	**1,261,000**	**418,905,000**	**452,616,244**	**(33,711,244)**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Revenues	Under (Over) Estimates
Health and Social Services					
Registration and fees	$ 34,000	$ -	$ 34,000	$ 35,515	$ (1,515)
Environmental health - inspection/permits	8,000	-	8,000	11,995	(3,995)
	42,000	**-**	**42,000**	**47,510**	**(5,510)**
Infrastructure					
Access to Information and Protection of Privacy	1,000	-	1,000	2,919	(1,919)
Highway information sign/permits	2,000	-	2,000	4,460	(2,460)
Aviation operations	746,000	-	746,000	727,856	18,144
Motor Transport Board fees	7,000	-	7,000	6,765	235
Weigh station fees	66,000	-	66,000	72,081	(6,081)
Adult French class fees	-	10,000	10,000	14,110	(4,110)
Management fee	-	-	-	66,000	(66,000)
	822,000	**10,000**	**832,000**	**894,191**	**(62,191)**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Revenues	Under (Over) Estimates
Justice					
Fines - Territorial Court	$ 265,000	$ -	$ 265,000	$ 431,047	$ (166,047)
Sheriff's Office	20,000	-	20,000	25,066	(5,066)
Public Administrator fees	2,000	-	2,000	2,325	(325)
Land titles fees	142,000	-	142,000	156,361	(14,361)
Miscellaneous	-	-	-	(8)	8
	429,000	**-**	**429,000**	**614,791**	**(185,791)**
Yukon Liquor Corporation					
Corporate net income	4,796,000	(618,000)	4,178,000	4,391,203	(213,203)
Liquor tax	2,220,000	-	2,220,000	2,418,697	(198,697)
	7,016,000	**(618,000)**	**6,398,000**	**6,809,900**	**(411,900)**
Totals	**$ 440,494,000**	**$ (1,770,000)**	**$ 438,724,000**	**$ 473,982,683**	**$ (35,258,683)**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Office of the Ombudsman			
Operations and maintenance			
Third party recoveries (Sec. 11 Ombudsman Act)	$ 17,299	$ (952)	$ 18,251
Executive Council Office			
Operations and maintenance			
Land claims implementation - Canada	1,819,249	1,248,828	570,421
Devolution - Canada	1,522,350	-	1,522,350
First Nations relations - Canadian Heritage	1,100,000	1,102,027	(2,027)
	4,441,599	2,350,855	2,090,744
Business, Tourism and Culture			
Operations and maintenance			
Yukon Lotteries Commission	215,000	180,000	35,000
Information technology survey	26,625	-	26,625
Small manufacturing - conceptual framework for Yukon	7,400	-	7,400
Northern housing construction strategy	56,987	-	56,987
City of Whitehorse - information kiosk	15,000	15,000	-
Joint Yukon/Alaska marketing program	155,617	173,800	(18,183)
Moving words - poetry in transit	4,500	-	4,500
Arts and culture development	25,000	-	25,000
Tourism travel trade	(1,423)	-	(1,423)
Carcross walking tour brochure	-	4,000	(4,000)
Scenic by-ways project	-	87,930	(87,930)
Co-operative United States small advertising	-	52,500	(52,500)
	504,706	513,230	(8,524)

Comparative Schedule of Recoveries
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Business, Tourism and Culture			
Capital			
Community access program	$ 208,000	$ 104,519	$ 103,481
Yukon Beringia Interpretive Centre - development - public education and outreach project	37,334	-	37,334
Artifact inventory and cataloguing - community memories	5,000	52,000	(47,000)
Historic places initiative	26,600	-	26,600
Conservation and security	-	10,800	(10,800)
Product and resource assessment	-	40,000	(40,000)
	276,934	**207,319**	**69,615**
Community Services			
Operations and maintenance			
Emergency measures	139,536	122,000	17,536
Community recreation/active living	74,197	79,010	(4,813)
Sport	319,205	292,584	26,621
Community assessments	318,160	323,922	(5,762)
Water and sewer services	233,359	248,220	(14,861)
Mosquito control	27,882	21,829	6,053
Motor vehicles	6,181	3,862	2,319
Author readings	-	5,300	(5,300)
Writer in residence program	-	10,000	(10,000)
	1,118,520	**1,106,727**	**11,793**

Schedule 3

GOVERNMENT OF YOKON

Comparative Schedule of Recoveries
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Community Services			
Capital			
Emergency measures	$ 88,258	$ 22,792	$ 65,466
Canada/Yukon infrastructure agreement	375,027	268,320	106,707
Land development cost recovery	3,184,425	3,005,929	178,496
Rural electrification and telephone	234,845	180,230	54,615
Road/streets upgrades	750,000	705,000	45,000
Public libraries	47,562	1,438	46,124
Computing equipment and systems	188,765	-	188,765
	4,868,882	4,183,709	685,173
Less: Land recoveries transferred to land held for sale	3,184,425	3,005,929	178,496
Local improvement recoveries transferred to loans receivable	239,873	175,201	64,672
	1,444,584	**1,002,579**	**442,005**
Education			
Operations and maintenance			
Student information and assessments	1,807	3,580	(1,773)
Student accommodation	96,140	111,188	(15,048)
Staff accommodation rental	6,151	5,706	445
Canadian Heritage - French language programs	1,004,085	1,004,085	-
Council of Ministers of Education of Canada agreement - monitors	162,532	157,658	4,874
Stikine students	243,500	134,800	108,700
Yukon Teachers' Association - substitute teachers	42,997	41,212	1,785
Grass roots	3,456	14,056	(10,600)
Canadian National Marsville	4,173	-	4,173
Charles R. Bronfman Foundation Heritage	5,450	2,464	2,986
Human Resources Development Canada			
- skills development	685,290	767,970	(82,680)
- National Literacy Secretariat	65,000	65,000	-
Student financial assistance			
- Canada student loan administration	42,136	43,552	(1,416)
- millennium scholarship fund	40,000	40,000	-
- Canada study grants	72,722	68,486	4,236
Industry Canada network of innovative schools	29,714	-	29,714
	2,505,153	**2,459,757**	**45,396**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Education			
Capital			
Community training fund	$ 76,951	$ 388,084	$ (311,133)
School-based equipment purchase			
- Industry Canada network of innovative schools	9,000	-	9,000
Student financial assistance system	10,298	-	10,298
Mayo Community School	16,000	64,000	(48,000)
Special investment fund	-	137,202	(137,202)
Jack Hulland School fire repairs	-	20,000	(20,000)
	112,249	**609,286**	**(497,037)**
Energy, Mines and Resources			
Operations and maintenance			
Agriculture food innovation program	260,934	-	260,934
Agriculture Canada	2,500	2,500	-
Master gardener course	2,210	2,375	(165)
Yukon Placer Committee	38,146	36,667	1,479
Forestry workshop/task force	100,000	-	100,000
Agricultural tourism strategy development	28,143	-	28,143
Mineral policy consultation	20,000	-	20,000
Agriculture conference	1,535	1,575	(40)
Forage crop losses	-	114,345	(114,345)
Agriculture ministers' conference	-	54,670	(54,670)
Agriculture Canada - marketing education	-	5,413	(5,413)
	453,468	**217,545**	**235,923**
Capital			
Land central services - recoverable	38,469	-	38,469
Geological surveys	871,024	945,230	(74,206)
Resource assessments - oil and gas	95,000	-	95,000
Agricultural land planning development	-	16,089	(16,089)
	1,004,493	961,319	43,174
Less land recoveries transferred to land held for sale	-	15,756	(15,756)
	1,004,493	**945,563**	**58,930**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Environment			
Operations and maintenance			
Inuvialuit Final Agreement	$ 809,306	$ 753,505	$ 55,801
Freshwater fisheries agreement	10,000	20,000	(10,000)
Province of British Columbia	1,500	1,500	-
Conservation Action Team	2,100	1,450	650
Special waste collection	88,152	2,966	85,186
Lake trout symposium fees	36,845	-	36,845
Gordon Duncan Foundation	12,000	-	12,000
Northern Tutchone moose survey	10,000	-	10,000
Emissions clinic	3,819	-	3,819
Government of BC - Southern Lakes caribou recovery	15,000	-	15,000
Government of NWT - Nahanni caribou studies	6,980	-	6,980
Parks Canada - Yukon Thirty Mile River report	4,000	-	4,000
Aasman Design Inc.	4,012	3,337	675
Parks Canada - Nahanni caribou survey	-	10,000	(10,000)
Fur Institute of Canada - trapper meetings	-	5,000	(5,000)
Selkirk First Nation - moose survey	-	9,666	(9,666)
Environment Canada			
- air pollution monitoring station renovations	-	4,923	(4,923)
Ross River game guardian	-	2,500	(2,500)
Porcupine caribou herd monitoring	-	765	(765)
	1,003,714	**815,612**	**188,102**
Capital			
Inuvialuit Final Agreement	-	**18,000**	**(18,000)**
Finance			
Operations and maintenance			
Innovation and knowledge projects	100,630	-	100,630
Workers' Compensation Health and Safety Board payroll	6,000	6,000	-
	106,630	**6,000**	**100,630**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Health and Social Services			
Operations and maintenance			
Young offenders agreement	$ 1,059,870	$ 1,039,088	$ 20,782
Prairie Northern FAS Partnership Conference	139,137	23,646	115,491
Child welfare - Department of Indian Affairs and Northern Development (DIAND)	7,234,534	5,931,811	1,302,723
Child welfare - DIAND - prior year recovery	149,019	-	149,019
Federal child benefit	314,449	325,767	(11,318)
Family and children's services - client recovery	29,147	511	28,636
Transition home - DIAND	513,510	463,196	50,314
Transition home - DIAND - prior/current year recovery adjustment	(1,780,704)	-	(1,780,704)
Youth criminal justice - cost sharing agreement	279,863	461,985	(182,122)
Social services - DIAND	505,602	560,998	(55,396)
Social services - client recovery	71,424	43,535	27,889
Yukon child benefit - DIAND	240,000	240,000	-
Copper Ridge			
- DIAND	1,165,994	-	1,165,994
- residents	276,578	-	276,578
Thomson Centre			
- Yukon Housing Corporation	261,797	449,398	(187,601)
- Yukon Housing Corporation - prior year recovery adjustment	(183,072)	-	(183,072)
- DIAND	166,726	990,029	(823,303)
- DIAND - prior year recoveries	661,821	-	661,821
- residents	43,698	-	43,698
- adult day program	2,375	2,930	(555)
- per diems	-	229,488	(229,488)
- Health Canada - prior year recovery	-	71,400	(71,400)
Macaulay Lodge			
- DIAND	389,225	449,995	(60,770)
- residents	161,109	236,160	(75,051)
McDonald Lodge			
- DIAND	224,131	242,120	(17,989)
- DIAND - prior/current year recovery adjustment	(661,888)	-	(661,888)
- residents	47,354	43,243	4,111
Home care - DIAND	78,548	78,798	(250)
Home care - Dawson - DIAND	14,756	15,728	(972)
National diabetes surveillance system	40,243	26,619	13,624
Third party			
- medical care	18,890	31,214	(12,324)
- hospital care	32,163	101,109	(68,946)
- medical travel	116,960	29,023	87,937
Emergency travel recoveries			
- non-insured health benefits medical travel	731,475	809,006	(77,531)
- non-residents medical travel	76,638	107,416	(30,778)

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Recoveries for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Health and Social Services			
Operations and maintenance (continued)			
Reciprocal billing	$ 1,242,857	$ 1,154,551	$ 88,306
Communication aids	189,413	305,180	(115,767)
Hearing assessments	87,580	35,845	51,735
Environmental health - foodsafe course	928	350	578
Community nursing			
- patient services	306,897	332,970	(26,073)
- drug recoveries	27,179	25,991	1,188
- Lower Post recovery	26,367	26,367	-
- rent/utility recoveries	141,081	171,723	(30,642)
- dietary recoveries	1,483	1,074	409
- Whitehorse Health Centre vaccines	54,788	52,418	2,370
- third party - ambulance	105,057	36,235	68,822
Health promotion - tobacco control program	163,378	-	163,378
Primary Health Care Transition Fund	32,614	-	32,614
Environmental Health - drinking water	11,173	-	11,173
Miscellaneous prior year recovery adjustments	(586,051)	6,515	(592,566)
Dawson shelter - DIAND	-	435	(435)
Hep C costs - Health Canada	-	100,000	(100,000)
Miscellaneous recoveries	5,842	79	5,763
	14,231,958	**15,253,946**	**(1,021,988)**
Capital			
Yukon telehealth network	376,221	308,956	67,265
Systems development	152,500	-	152,500
Young offender facilities - renovations and equipment	42,596	-	42,596
Continuing care - new facility	16,000	64,000	(48,000)
Dental health services - equipment	1,278	20,000	(18,722)
Primary health care transition fund	99,981	-	99,981
Environmental Health - drinking water	8,850	-	8,850
Thomson Centre - equipment	-	78,441	(78,441)
Macaulay Lodge - equipment	-	100,000	(100,000)
Hearing services - equipment	-	30,000	(30,000)
Whitehorse Health Centre - equipment	-	7,000	(7,000)
Communicable disease unit - equipment	-	5,000	(5,000)
Ambulance unit - equipment	-	25,000	(25,000)
Ambulance unit - vehicle replacement	-	276,000	(276,000)
Community nursing - equipment and facilities	-	235,722	(235,722)
Yukon Hospital Corporation - CT scan	-	200,000	(200,000)
	697,426	**1,350,119**	**(652,693)**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Infrastructure			
Operations and maintenance			
Deposit forfeitures	$ 3,600	$ 1,800	$ 1,800
Corporation central facility processing cost	93,000	93,000	-
PC maintenance	6,500	6,500	-
Application support	24,400	22,416	1,984
Service agreements (communications and systems)	253,899	287,530	(33,631)
Highways employee housing	20,054	20,877	(823)
Transportation recoverable services	242,048	324,449	(82,401)
Weigh stations	142,418	134,140	8,278
Airports	1,375,293	1,390,513	(15,220)
Queen's Printer subscriptions	58,822	47,754	11,068
Travel agent processing	10,887	8,337	2,550
French language services - Canadian Heritage	1,407,000	1,456,000	(49,000)
Service access sites	-	80,000	(80,000)
Miscellaneous recoveries	8,036	-	8,036
	3,645,957	**3,873,316**	**(227,359)**
Capital			
Alaska Highway - Shakwak	25,076,916	19,277,131	5,799,785
Sale of government surplus equipment	1,698	45,522	(43,824)
Project management services	872,420	1,594,706	(722,286)
French language services - office furniture, equipment, systems and space	13,000	14,000	(1,000)
Multi-departmental mobile radio system	95,000	20,000	75,000
Alaska Highway - strategic highway improvement program	1,100,000	-	1,100,000
Airports			
- City of Whitehorse	21,590	91,777	(70,187)
- Dawson City airport	2,178,575	1,574,407	604,168
- Transport Canada - other surveys	-	(4,370)	4,370
Association franco-yukonnaise day care	5,600	-	5,600
Special projects - telecommunications infrastructure development	6,000	22,000	(16,000)
Service agreements	-	4,876	(4,876)
	29,370,799	**22,640,049**	**6,730,750**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Justice			
Operations and maintenance			
Worker advocate	$ 323,170	$ 309,943	$ 13,227
Child support guidelines	94,000	101,838	(7,838)
Legal aid	527,408	151,908	375,500
Aboriginal courtworker program	206,200	146,350	59,850
Yukon Public Legal Education Association	70,000	70,000	-
Administration of Justice agreement	1,699	20,000	(18,301)
Institutional facilities	21,726	(23,103)	44,829
Parole supervision	52,000	52,000	-
Family violence prevention unit and victim services - federal recovery	101,099	85,700	15,399
Witness program - videoconferencing	30,746	-	30,746
Piped propane hearings	29,508	-	29,508
Community justice projects	13,800	-	13,800
	1,471,356	**914,636**	**556,720**
Capital			
Maintenance enforcement system	53,000	56,080	(3,080)
Court registry information system	18,000	-	18,000
Workers advocate capital recovery	40,027		40,027
	111,027	**56,080**	**54,947**
Public Service Commission			
Operations and maintenance			
Staff development operations	**16,574**	**22,635**	**(6,061)**
Interest			
Operations and maintenance			
Interest	**767,473**	**785,026**	**(17,553)**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Totals			
Operations and maintenance	$ 30,284,407	$ 28,318,333	$ 1,966,074
Capital	36,441,810	30,025,881	6,415,929
	66,726,217	58,344,214	8,382,003
Less: Land recoveries transferred to land held for sale	3,184,425	3,021,685	162,740
Local improvement recoveries transferred to loans receivable	239,873	175,201	64,672
	$ 63,301,919	**$ 55,147,328**	**$ 8,154,591**

Schedule 4

GOVERNMENT OF YUKON

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Office of the Ombudsman					
Operations and maintenance					
Third party recoveries (Sec. 11 Ombudsman Act)	$ -	$ 17,000	$ 17,000	$ 17,299	$ (299)
Executive Council Office					
Operations and maintenance					
Land claims implementation - Canada	2,622,000	-	2,622,000	1,819,249	802,751
Devolution - Canada	1,000,000	935,000	1,935,000	1,522,350	412,650
First Nations relations - Canadian Heritage	1,100,000	-	1,100,000	1,100,000	-
	4,722,000	935,000	5,657,000	4,441,599	1,215,401

GOVERNMENT OF YUKON

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Business, Tourism and Culture					
Operations and maintenance					
Yukon Lotteries Commission	$ 240,000	$ -	$ 240,000	$ 215,000	$ 25,000
Information technology survey	-	36,000	36,000	26,625	9,375
Small manufacturing - conceptual framework for Yukon	-	10,000	10,000	7,400	2,600
Northern housing construction strategy	-	55,000	55,000	56,987	(1,987)
City of Whitehorse - information kiosk	-	15,000	15,000	15,000	-
Joint Yukon/Alaska marketing program	-	174,000	174,000	155,617	18,383
Moving words - poetry in transit	-	5,000	5,000	4,500	500
Arts and culture development	-	25,000	25,000	25,000	-
Tourism travel trade	-	-	-	(1,423)	1,423
	240,000	**320,000**	**560,000**	**504,706**	**55,294**
Capital					
Community access program	-	236,000	236,000	208,000	28,000
Yukon Beringia Interpretive Centre - development - public education and outreach project	-	50,000	50,000	37,334	12,666
Artifact inventory and cataloguing - community memories	-	5,000	5,000	5,000	-
Historic places initiative	-	-	-	26,600	(26,600)
	-	**291,000**	**291,000**	**276,934**	**14,066**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Community Services					
Operations and maintenance					
Emergency measures	$ 139,000	$ 7,000	$ 146,000	$ 139,536	$ 6,464
Community recreation/active living	64,000	23,000	87,000	74,197	12,803
Sport	280,000	46,000	326,000	319,205	6,795
Community assessments	302,000	-	302,000	318,160	(16,160)
Water and sewer services	212,000	-	212,000	233,359	(21,359)
Mosquito control	21,000	-	21,000	27,882	(6,882)
Motor vehicles	3,000	1,000	4,000	6,181	(2,181)
Author readings	4,000	-	4,000	-	4,000
	1,025,000	**77,000**	**1,102,000**	**1,118,520**	**(16,520)**
Capital					
Emergency measures	35,000	61,000	96,000	88,258	7,742
Canada/Yukon infrastructure agreement	847,000	345,000	1,192,000	375,027	816,973
Land development cost recovery	4,585,000	(750,000)	3,835,000	3,184,425	650,575
Rural electrification and telephone	350,000	209,000	559,000	234,845	324,155
Road/streets upgrades	-	750,000	750,000	750,000	-
Public libraries	-	48,000	48,000	47,562	438
Computing equipment and systems	-	-	-	188,765	(188,765)
	5,817,000	**663,000**	**6,480,000**	4,868,882	**1,611,118**
Less: Land recoveries transferred to land held for sale				3,184,425	
Local improvement recoveries transferred to loans receivable				239,873	
				1,444,584	

GOVERNMENT OF YUKON

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Education					
Operations and maintenance					
Student information and assessments	$ 9,000	$ -	$ 9,000	$ 1,807	$ 7,193
Student accommodation	120,000	-	120,000	96,140	23,860
Staff accommodation rental	5,000	-	5,000	6,151	(1,151)
Canadian Heritage - French language programs	1,004,000	-	1,004,000	1,004,085	(85)
Council of Ministers of Education of Canada agreement - monitors	162,000	-	162,000	162,532	(532)
Stikine students	233,000	10,000	243,000	243,500	(500)
Yukon Teachers' Association - substitute teachers	35,000	-	35,000	42,997	(7,997)
Grass roots	15,000	-	15,000	3,456	11,544
Canadian National Marsville	5,000	-	5,000	4,173	827
Charles R. Bronfman Foundation Heritage	2,000	-	2,000	5,450	(3,450)
Human Resources Development Canada					
- skills development	700,000	125,000	825,000	685,290	139,710
- National Literacy Secretariat	65,000	-	65,000	65,000	-
Student financial assistance					
- Canada student loan administration	41,000	-	41,000	42,136	(1,136)
- Millennium scholarship fund	40,000	-	40,000	40,000	-
- Canada study grants	28,000	-	28,000	72,722	(44,722)
Industry Canada network of innovative schools	-	30,000	30,000	29,714	286
	2,464,000	**165,000**	**2,629,000**	**2,505,153**	**123,847**

GOVERNMENT OF YUKON

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Education					
Capital					
Community training fund	$ 100,000	$ (23,000)	$ 77,000	$ 76,951	$ 49
School-based equipment purchase					
- Industry Canada network of innovative schools	-	10,000	10,000	9,000	1,000
Student financial assistance system	-	10,000	10,000	10,298	(298)
Mayo Community School	-	-	-	16,000	(16,000)
	100,000	(3,000)	97,000	112,249	(15,249)

GOVERNMENT OF YUKON

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Energy, Mines and Resources					
Operations and maintenance					
Agriculture food innovation program	$ 100,000	$ 200,000	$ 300,000	$ 260,934	$ 39,066
Agriculture Canada	3,000	-	3,000	2,500	500
Agriculture conference	2,000	-	2,000	1,535	465
Master gardener course	2,000	-	2,000	2,210	(210)
Yukon Placer Committee	27,000	11,000	38,000	38,146	(146)
Forestry workshop/task force	-	60,000	60,000	100,000	(40,000)
Agricultural tourism strategy development	-	28,000	28,000	28,143	(143)
Mineral policy consultation	-	20,000	20,000	20,000	-
	134,000	**319,000**	**453,000**	**453,468**	**(468)**
Capital					
Land central services - recoverable	10,000	60,000	70,000	38,469	31,531
Agricultural land planning development	50,000	-	50,000	-	50,000
Geological surveys	826,000	44,000	870,000	871,024	(1,024)
Regional mineral development program	250,000	(250,000)	-	-	-
Resource assessments - oil and gas	-	95,000	95,000	95,000	-
	1,136,000	**(51,000)**	**1,085,000**	**1,004,493**	**80,507**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Environment					
Operations and maintenance					
Miscellaneous partnerships	$ 50,000	$ (40,000)	$ 10,000	$ -	$ 10,000
Inuvialuit Final Agreement	772,000	24,000	796,000	809,306	(13,306)
Freshwater fisheries agreement	20,000	-	20,000	10,000	10,000
Porcupine caribou herd monitoring	23,000	-	23,000	-	23,000
Province of British Columbia	2,000	-	2,000	1,500	500
Conservation Action Team	2,000	-	2,000	2,100	(100)
Special waste collection	60,000	-	60,000	88,152	(28,152)
Lake trout symposium fees	-	14,000	14,000	36,845	(22,845)
Gordon Duncan Foundation	-	12,000	12,000	12,000	-
Northern Tutchone moose survey	-	10,000	10,000	10,000	-
Emissions clinic	-	4,000	4,000	3,819	181
Government of BC - Southern Lakes caribou recovery	-	-	-	15,000	(15,000)
Government of NWT - Nahanni caribou studies	-	-	-	6,980	(6,980)
Parks Canada - Yukon Thirty Mile River report	-	-	-	4,000	(4,000)
Aasman Design Inc.	-	-	-	4,012	(4,012)
	929,000	**24,000**	**953,000**	**1,003,714**	**(50,714)**
Capital					
Inuvialuit Final Agreement	-	**14,000**	**14,000**	-	**14,000**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Finance					
Operations and maintenance					
Workers' Compensation Health and Safety Board payroll	$ 6,000	$ -	$ 6,000	$ 6,000	$ -
Charge card incentive	10,000	-	10,000	-	10,000
Innovation and knowledge projects	-	112,000	112,000	100,630	11,370
	16,000	**112,000**	**128,000**	**106,630**	**21,370**
Capital					
Loan guarantee contingency	**250,000**	**(150,000)**	**100,000**	**-**	**100,000**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Recoveries by Department for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Health and Social Services					
Operations and maintenance					
Young offenders agreement	$ 1,059,000	$ -	$ 1,059,000	$ 1,059,870	$ (870)
Prairie Northern FAS Partnership Conference	110,000	98,000	208,000	139,137	68,863
Child welfare - Department of Indian Affairs and Northern Development (DIAND)	5,376,000	1,000,000	6,376,000	7,234,534	(858,534)
Child welfare - DIAND - prior year recovery	-	-	-	149,019	(149,019)
Federal child benefit	223,000	62,000	285,000	314,449	(29,449)
Family and children's services - client recovery	4,000	-	4,000	29,147	(25,147)
Transition home - DIAND	228,000	300,000	528,000	513,510	14,490
Transition home - DIAND - prior/current year recovery adjustment	-	-	-	(1,780,704)	1,780,704
Dawson shelter - DIAND	21,000	-	21,000	-	21,000
Youth Achievement Centre	3,000	-	3,000	-	3,000
Youth criminal justice - cost sharing agreement	281,000	100,000	381,000	279,863	101,137
Social services - DIAND	650,000	-	650,000	505,602	144,398
Social services - client recovery	50,000	-	50,000	71,424	(21,424)
Yukon child benefit - DIAND	240,000	-	240,000	240,000	-
Copper Ridge					
- DIAND	1,528,000	(375,000)	1,153,000	1,165,994	(12,994)
- residents	327,000	(85,000)	242,000	276,578	(34,578)
- adult day program	13,000	-	13,000	-	13,000
Thomson Centre					
- Yukon Housing Corporation	430,000	-	430,000	261,797	168,203
- Yukon Housing Corporation - prior year recovery adjustment	-	-	-	(183,072)	183,072
- DIAND	600,000	(30,000)	570,000	166,726	403,274
- DIAND - prior year recoveries	-	-	-	661,821	(661,821)
- residents	230,000	(10,000)	220,000	43,698	176,302
- adult day program	-	-	-	2,375	(2,375)

GOVERNMENT OF YUKON

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Health and Social Services					
Operations and maintenance (continued)					
McDonald Lodge					
- DIAND	$ 250,000	$ -	$ 250,000	$ 224,131	$ 25,869
- DIAND - prior/current year recovery adjustment	-	-	-	(661,888)	661,888
- residents	60,000	-	60,000	47,354	12,646
Home care - DIAND	100,000	-	100,000	78,548	21,452
Home care - Dawson - DIAND	10,000	-	10,000	14,756	(4,756)
National diabetes surveillance survey	90,000	(30,000)	60,000	40,243	19,757
Third party					
- medical care	25,000	-	25,000	18,890	6,110
- hospital care	65,000	-	65,000	32,163	32,837
- medical travel	75,000	(25,000)	50,000	116,960	(66,960)
Emergency travel recoveries					
- non-insured health benefits medical travel	815,000	(65,000)	750,000	731,475	18,525
- non-residents medical travel	100,000	-	100,000	76,638	23,362
Reciprocal billing	1,430,000	(80,000)	1,350,000	1,242,857	107,143
Communication aids	170,000	85,000	255,000	189,413	65,587
Hearing assessments	30,000	-	30,000	87,580	(57,580)
Environmental health - foodsafe course	1,000	-	1,000	928	72
Community nursing					
- patient services	350,000	(24,000)	326,000	306,897	19,103
- drug recoveries	39,000	-	39,000	27,179	11,821
- Lower Post recovery	22,000	-	22,000	26,367	(4,367)
- rent/utility recoveries	157,000	-	157,000	141,081	15,919
- dietary recoveries	2,000	-	2,000	1,483	517
- Whitehorse Health Centre vaccines	50,000	-	50,000	54,788	(4,788)
- third party - ambulance	164,000	(64,000)	100,000	105,057	(5,057)
Health promotion - tobacco control program	-	180,000	180,000	163,378	16,622

GOVERNMENT OF YUKON

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Health and Social Services					
Operations and maintenance (continued)					
Macaulay Lodge					
- DIAND	$ -	$ -	$ -	$ 389,225	$ (389,225)
- residents	-	-	-	161,109	(161,109)
Primary Health Care Transition Fund	-	-	-	32,614	(32,614)
Environmental Health - drinking water	-	-	-	11,173	(11,173)
Miscellaneous prior year recovery adjustments	-	-	-	(586,051)	586,051
Miscellaneous recoveries	-	-	-	5,842	(5,842)
	15,378,000	**1,037,000**	**16,415,000**	**14,231,958**	**2,183,042**
Capital					
Yukon telehealth network	650,000	-	650,000	376,221	273,779
Systems development	-	152,000	152,000	152,500	(500)
Young offender facilities - renovations and equipment	-	50,000	50,000	42,596	7,404
Continuing care - new facility	-	16,000	16,000	16,000	-
Dental health services - equipment	-	1,000	1,000	1,278	(278)
Primary health care transition fund	-	-	-	99,981	(99,981)
Environmental Health - drinking water	-	-	-	8,850	(8,850)
	650,000	**219,000**	**869,000**	**697,426**	**171,574**

GOVERNMENT OF YUKON

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Infrastructure					
Operations and maintenance					
Deposit forfeitures	$ 1,000	$ 1,000	$ 2,000	$ 3,600	$ (1,600)
Corporation central facility processing cost	93,000	-	93,000	93,000	-
PC maintenance	6,000	-	6,000	6,500	(500)
Multi-departmental mobile radio system	87,000	(79,000)	8,000	-	8,000
Application support	23,000	1,000	24,000	24,400	(400)
Service agreements (communications and systems)	240,000	40,000	280,000	253,899	26,101
Highways employee housing	24,000	-	24,000	20,054	3,946
Transportation recoverable services	295,000	-	295,000	242,048	52,952
Weigh stations	150,000	(3,000)	147,000	142,418	4,582
Airports	1,425,000	-	1,425,000	1,375,293	49,707
Queen's Printer subscriptions	65,000	84,000	149,000	58,822	90,178
Travel agent processing	8,000	-	8,000	10,887	(2,887)
French language services - Canadian Heritage	1,357,000	12,000	1,369,000	1,407,000	(38,000)
Miscellaneous recoveries	-	-	-	8,036	(8,036)
	3,774,000	**56,000**	**3,830,000**	**3,645,957**	**184,043**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Infrastructure					
Capital					
Office furniture, equipment, systems and space	$ 10,000	$ (5,000)	$ 5,000	$ -	$ 5,000
Alaska Highway - Shakwak	23,500,000	1,532,000	25,032,000	25,076,916	(44,916)
Pavement rehabilitation	1,100,000	(1,100,000)	-	-	-
Sale of government surplus equipment	75,000	(16,000)	59,000	1,698	57,302
Project management services	1,000,000	(135,000)	865,000	872,420	(7,420)
French language services					
- office furniture, equipment, systems and space	23,000	(12,000)	11,000	13,000	(2,000)
ICT corporate computing equipment and systems	-	2,000	2,000	-	2,000
Multi-departmental mobile radio system	-	95,000	95,000	95,000	-
Alaska Highway - strategic highway improvement program	-	1,100,000	1,100,000	1,100,000	-
Airports					
- City of Whitehorse	-	31,000	31,000	21,590	9,410
- Dawson City airport	-	3,350,000	3,350,000	2,178,575	1,171,425
- Whitehorse runway sweeper	-	165,000	165,000	-	165,000
Association franco-yukonnaise day care	-	145,000	145,000	5,600	139,400
Special projects - telecommunications infrastructure development	-	-	-	6,000	(6,000)
	25,708,000	**5,152,000**	**30,860,000**	**29,370,799**	**1,489,201**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Justice					
Operations and maintenance					
Worker advocate	$ 345,000	$ -	$ 345,000	$ 323,170	$ 21,830
Child support guidelines	97,000	-	97,000	94,000	3,000
Legal aid	528,000	-	528,000	527,408	592
Aboriginal courtworker program	146,000	30,000	176,000	206,200	(30,200)
Yukon Public Legal Education Association	70,000	-	70,000	70,000	-
Administration of Justice agreement	60,000	(40,000)	20,000	1,699	18,301
Public Utilities Board hearings	100,000	-	100,000	-	100,000
Institutional facilities	10,000	-	10,000	21,726	(11,726)
Parole supervision	52,000	-	52,000	52,000	-
Family violence prevention unit and victim services - federal recovery	106,000	-	106,000	101,099	4,901
Witness program - videoconferencing	-	29,000	29,000	30,746	(1,746)
Piped propane hearings	-	-	-	29,508	(29,508)
Community justice projects	-	-	-	13,800	(13,800)
	1,514,000	**19,000**	**1,533,000**	**1,471,356**	**61,644**
Capital					
Maintenance enforcement system	-	53,000	53,000	53,000	-
Court registry information system	-	18,000	18,000	18,000	-
Workers advocate capital recovery	-	-	-	40,027	(40,027)
	-	**71,000**	**71,000**	**111,027**	**(40,027)**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Public Service Commission					
Operations and maintenance					
Staff development operations	$ 45,000	$ -	$ 45,000	$ 16,574	$ 28,426
Interest					
Operations and maintenance					
Interest	766,000	-	766,000	767,473	(1,473)
Totals					
Operations and maintenance	31,007,000	3,081,000	34,088,000	30,284,407	3,803,593
Capital	33,661,000	6,206,000	39,867,000	36,441,810	3,425,190
	$ 64,668,000	$ 9,287,000	$ 73,955,000	66,726,217	$ 7,228,783
Less: Land recoveries transferred to land held for sale				3,184,425	
Local improvement recoveries transferred to loans receivable				239,873	
				$ 63,301,919	

GOVERNMENT OF YUKON

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Yukon Legislative Assembly			
Operations and maintenance			
Legislative services	$ 2,075,474	$ 1,838,791	$ 236,683
Legislative Assembly Office	526,206	398,213	127,993
Retirement allowances and death benefits	3,169,938	480,232	2,689,706
Hansard	278,150	344,388	(66,238)
Conflicts Commission	40,488	86,315	(45,827)
	6,090,256	3,147,939	2,942,317
Less adjustment due to change in accounting policy (Note 3)	2,482,000	-	2,482,000
	3,608,256	**3,147,939**	**460,317**
Capital			
Legislative Assembly Office	**19,389**	**8,631**	**10,758**
Elections Office			
Operations and maintenance			
Elections	**619,815**	**306,737**	**313,078**
Capital			
Elections	**11,778**	**1,999**	**9,779**
Office of the Ombudsman			
Operations and maintenance			
Office of the Ombudsman	**377,646**	**328,120**	**49,526**
Capital			
Office of the Ombudsman	**4,850**	**4,993**	**(143)**

GOVERNMENT OF YUKON

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Executive Council Office			
Operations and maintenance			
Cabinet and management support	$ 872,257	$ 876,136	$ (3,879)
Accountability and planning	119,337	238,773	(119,436)
Land Claims and Implementation Secretariat	5,070,083	4,625,334	444,749
Devolution	1,634,718	59,322	1,575,396
Policy	666,423	421,177	245,246
Communications	355,692	362,011	(6,319)
Intergovernmental relations	1,056,855	888,261	168,594
First Nations relations	1,249,685	1,287,843	(38,158)
Women's Directorate	474,346	577,616	(103,270)
Government audit services	248,251	242,894	5,357
Bureau of Statistics	710,248	654,920	55,328
Office of the Commissioner	116,182	127,816	(11,634)
Cabinet Offices	2,036,312	1,515,082	521,230
Youth Directorate	472,448	440,142	32,306
Development assessment process	-	98,581	(98,581)
	15,082,837	**12,415,908**	**2,666,929**
Capital			
Cabinet and management support	24,486	1,354,613	(1,330,127)
Land Claims and Implementation Secretariat	645,551	282,047	363,504
Women's Directorate	-	4,940	(4,940)
Youth Directorate	-	300,000	(300,000)
	670,037	**1,941,600**	**(1,271,563)**
Business, Tourism and Culture			
Operations and maintenance			
Corporate services	2,075,063	1,768,093	306,970
Industry development and research	1,523,755	1,770,444	(246,689)
Marketing	7,484,930	7,152,986	331,944
Cultural services	3,578,352	3,933,316	(354,964)
	14,662,100	**14,624,839**	**37,261**

GOVERNMENT OF YUKON

Schedule 5

Comparative Schedule of Expenditures for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Business, Tourism and Culture			
Capital			
Corporate services	$ 140,635	$ 120,090	$ 20,545
Industry development and research	683,528	1,199,964	(516,436)
Marketing	79,556	134,420	(54,864)
Cultural services	2,715,283	3,207,545	(492,262)
	3,619,002	**4,662,019**	**(1,043,017)**
Community Services			
Operations and maintenance			
Office of the Deputy Minister	316,915	275,777	41,138
Corporate services	1,186,882	1,151,055	35,827
Protective services	1,008,009	1,058,372	(50,363)
Community development	23,117,682	23,111,919	5,763
Service Yukon	2,885,950	2,628,078	257,872
Consumer and safety services	2,387,129	2,385,458	1,671
	30,902,567	**30,610,659**	**291,908**
Capital			
Corporate services	282,781	137,238	145,543
Protective services	1,688,619	982,427	706,192
Community development	14,013,389	14,629,373	(615,984)
Service Yukon	88,830	65,708	23,122
	16,073,619	15,814,746	258,873
Less: Land development costs transferred to land held for sale	2,887,133	2,289,765	597,368
Local improvement costs transferred to loans receivable	511,184	316,895	194,289
	12,675,302	**13,208,086**	**(532,784)**

GOVERNMENT OF YUKON

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Education			
Operations and maintenance			
Education support services	$ 12,031,647	$ 12,175,365	$ (143,718)
Public schools	61,451,735	59,671,406	1,780,329
Advanced education	18,617,866	18,509,901	107,965
	92,101,248	**90,356,672**	**1,744,576**
Capital			
Education support services	605,872	605,865	7
Public schools	7,347,259	11,488,305	(4,141,046)
Advanced education	1,718,455	2,606,502	(888,047)
	9,671,586	**14,700,672**	**(5,029,086)**
Energy, Mines and Resources			
Operations and maintenance			
Corporate services	1,403,645	1,133,764	269,881
Corporate policy and planning	1,324,180	1,346,501	(22,321)
Resource management	1,571,724	1,624,581	(52,857)
Oil and gas management	1,644,434	1,545,884	98,550
Oil and gas development and pipeline	329,251	363,270	(34,019)
Minerals planning and development	670,966	797,098	(126,132)
	6,944,200	**6,811,098**	**133,102**
Capital			
Corporate services	59,775	82,846	(23,071)
Corporate policy and planning	76,207	204,892	(128,685)
Resource management	90,727	263,120	(172,393)
Oil and gas management	349,308	264,559	84,749
Oil and gas development and pipeline	820,858	1,132,567	(311,709)
Minerals planning and development	3,342,093	3,249,874	92,219
	4,738,968	5,197,858	(458,890)
Less land development costs transferred to land held for sale	41,809	-	41,809
	4,697,159	**5,197,858**	**(500,699)**

GOVERNMENT OF YUKON

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Environment			
Operations and maintenance			
General management	$ 413,961	$ 472,332	$ (58,371)
Corporate services	3,835,481	3,738,051	97,430
Management of natural resources	7,011,913	6,818,331	193,582
Monitoring and compliance	4,152,343	4,140,278	12,065
	15,413,698	**15,168,992**	**244,706**
Capital			
Corporate services	365,008	619,494	(254,486)
Management of natural resources	666,264	849,148	(182,884)
Monitoring and compliance	6,000	6,000	-
	1,037,272	**1,474,642**	**(437,370)**
Finance			
Operations and maintenance			
Treasury	4,627,977	4,374,298	253,679
Workers' compensation supplementary benefits	414,791	407,766	7,025
Bad debts expense	156,470	131,698	24,772
	5,199,238	**4,913,762**	**285,476**
Capital			
Treasury	**101,795**	**113,251**	**(11,456)**

GOVERNMENT OF YUKON

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Health and Social Services			
Operations and maintenance			
Policy, planning and administration	$ 4,459,183	$ 4,043,026	$ 416,157
Family and children's services	27,886,832	26,227,948	1,658,884
Social services	28,571,379	25,546,038	3,025,341
Health services	75,885,120	69,110,473	6,774,647
Regional services	3,734,606	3,607,005	127,601
Alcohol and Drug Secretariat	2,736,271	2,225,246	511,025
	143,273,391	130,759,736	12,513,655
Less loan payments transferred to long-term debt	60,933	56,832	4,101
	143,212,458	**130,702,904**	**12,509,554**
Capital			
Policy, planning and administration	333,004	176,797	156,207
Family and children's services	419,679	109,885	309,794
Social services	2,532,921	8,822,602	(6,289,681)
Health services	1,166,995	3,228,404	(2,061,409)
Regional services	2,929	5,394	(2,465)
Alcohol and Drug Secretariat	150,799	1,660	149,139
	4,606,327	**12,344,742**	**(7,738,415)**
Infrastructure			
Operations and maintenance			
Corporate services	3,244,954	3,377,204	(132,250)
Information and communications technology	6,343,586	6,451,077	(107,491)
Transportation	39,533,426	39,912,647	(379,221)
Supply services	2,567,933	2,502,534	65.399
Property management	12,466,269	13,200,182	(733,913)
French language services	1,577,947	1,600,095	(22,148)
Central Stores write-off	14,108	7,290	6,818
	65,748,223	**67,051,029**	**(1,302,806)**

GOVERNMENT OF YUKON

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Infrastructure			
Capital			
Corporate services	$ 812,100	$ 906,632	$ (94,532)
Information and communications technology	3,546,913	3,599,036	(52,123)
Transportation	43,849,467	34,697,656	9,151,811
Supply services	25,925	50,081	(24,156)
Property management	3,428,395	4,059,760	(631,365)
French language services	18,508	13,876	4,632
	51,681,308	**43,327,041**	**8,354,267**
Justice			
Operations and maintenance			
Management services	2,224,076	2,118,086	105,990
Court services	4,504,046	6,273,201	(1,769,155)
Legal services	3,762,854	3,979,911	(217,057)
Regulatory services	583,691	629,709	(46,018)
Community and correctional services	8,447,579	8,803,993	(356,414)
Community justice and public safety	14,027,913	13,005,103	1,022,810
Human rights	384,856	511,297	(126,441)
	33,935,015	**35,321,300**	**(1,386,285)**
Capital			
Management services	418,663	429,805	(11,142)
Community and correctional services	1,207,293	971,593	235,700
	1,625,956	**1,401,398**	**224,558**

GOVERNMENT OF YUKON

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Public Service Commission			
Operations and maintenance			
Finance and administration	$ 755,877	$ 765,531	$ (9,654)
Corporate human resource services	1,320,235	1,282,916	37,319
Pay and benefits management	1,287,891	1,108,733	179,158
Staff relations	831,461	834,400	(2,939)
Workers' compensation fund	2,798,824	2,867,547	(68,723)
Planning and research	459,004	376,066	82,938
Employee leave and termination benefits adjustment	11,334,621	2,485,094	8,849,527
Staff development	2,160,625	2,070,068	90,557
	20,948,538	**11,790,355**	**9,158,183**
Capital			
Finance and administration	**58,643**	**34,173**	**24,470**
Yukon Development Corporation (Transfer Payment)			
Capital			
Rate stabilization fund	**3,000,000**	**-**	**3,000,000**
Yukon Housing Corporation (Transfer Payment)			
Operations and maintenance			
Expenditures	**(201,150)**	**622,449**	**(823,599)**
Capital			
Expenditures	**1,790,507**	**1,697,427**	**93,080**

GOVERNMENT OF YUKON

Schedule 5

Comparative Schedule of Expenditures for the year ended March 31, 2003

	2003	2002	Increase (Decrease)
Interest on Loans			
Operations and maintenance Interest	**$ 357,709**	**$ 378,492**	**$ (20,783)**
Totals			
Operations and maintenance	451,455,331	424,608,087	26,847,244
Capital	98,711,037	102,725,192	(4,014,155)
	550,166,368	527,333,279	22,833,089
Less: Land development costs transferred to land held for sale	2,928,942	2,289,765	639,177
Local improvement costs transferred to loans receivable	511,184	316,895	194,289
Loan payments transferred to long-term debt	60,933	56,832	4,101
Adjustment due to change in accounting policy (Note 3)	2,482,000	-	2,482,000
	$ 544,183,309	**$ 524,669,787**	**$ 19,513,522**

GOVERNMENT OF YUKON

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Yukon Legislative Assembly						
Operations and maintenance						
Legislative services	$ 1,902,000	$ 116,000	$ -	$ 2,018,000	$ 2,075,474	$ (57,474)
Legislative Assembly Office	527,000	-	-	527,000	526,206	794
Retirement allowances and death benefits	498,000	2,665,000	-	3,163,000	3,169,938	(6,938)
Hansard	394,000	-	-	394,000	278,150	115,850
Conflicts Commission	25,000	16,000	-	41,000	40,488	512
	3,346,000	**2,797,000**	-	**6,143,000**	6,090,256	**52,744**
Less adjustment due to change in accounting policy (Note 3)					2,482,000	
					3,608,256	
Capital						
Legislative Assembly Office	**20,000**	-	-	**20,000**	**19,389**	**611**

GOVERNMENT OF YUKON

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Elections Office						
Operations and maintenance						
Elections	$ 200,000	$ 461,000	$ -	$ 661,000	$ 619,815	$ 41,185
Capital						
Elections	3,000	10,000	-	13,000	11,778	1,222
Office of the Ombudsman						
Operations and maintenance						
Office of the Ombudsman	343,000	31,000	-	374,000	377,646	(3,646)
Capital						
Office of the Ombudsman	5,000	-	-	5,000	4,850	150

GOVERNMENT OF YUKON

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Executive Council Office						
Operations and maintenance						
Cabinet and management support	$ 783,000	$ -	$ -	$ 783,000	$ 872,257	$ (89,257)
Accountability and planning	124,000	-	-	124,000	119,337	4,663
Land Claims and Implementation Secretariat	6,209,000	(100,000)	(156,000)	5,953,000	5,070,083	882,917
Devolution	1,157,000	935,000	(30,000)	2,062,000	1,634,718	427,282
Policy	701,000	-	(30,000)	671,000	666,423	4,577
Communications	259,000	-	85,000	344,000	355,692	(11,692)
Intergovernmental relations	935,000	-	101,000	1,036,000	1,056,855	(20,855)
First Nations relations	1,304,000	(50,000)	30,000	1,284,000	1,249,685	34,315
Women's Directorate	553,000	-	-	553,000	474,346	78,654
Government audit services	368,000	(100,000)	-	268,000	248,251	19,749
Bureau of Statistics	763,000	-	-	763,000	710,248	52,752
Office of the Commissioner	148,000	-	-	148,000	116,182	31,818
Cabinet Offices	1,643,000	400,000	-	2,043,000	2,036,312	6,688
Youth Directorate	476,000	-	-	476,000	472,448	3,552
	15,423,000	**1,085,000**	**-**	**16,508,000**	**15,082,837**	**1,425,163**
Capital						
Cabinet and management support	10,000,000	(10,000,000)	-	-	24,486	(24,486)
Land Claims and Implementation Secretariat	350,000	2,115,000	-	2,465,000	645,551	1,819,449
	10,350,000	**(7,885,000)**	**-**	**2,465,000**	**670,037**	**1,794,963**

GOVERNMENT OF YUKON

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Business, Tourism & Culture						
Operations and maintenance						
Corporate services	$ 2,186,000	$ (25,000)	$ (88,000)	$ 2,073,000	$ 2,075,063	$ (2,063)
Industry development and research	1,587,000	56,000	-	1,643,000	1,523,755	119,245
Marketing	7,152,000	415,000	-	7,567,000	7,484,930	82,070
Cultural services	3,476,000	15,000	88,000	3,579,000	3,578,352	648
	14,401,000	**461,000**	**-**	**14,862,000**	**14,662,100**	**199,900**
Capital						
Corporate services	140,000	-	12,000	152,000	140,635	11,365
Industry development and research	742,000	537,000	-	1,279,000	683,528	595,472
Marketing	90,000	(8,000)	-	82,000	79,556	2,444
Cultural services	3,055,000	102,000	(12,000)	3,145,000	2,715,283	429,717
	4,027,000	**631,000**	**-**	**4,658,000**	**3,619,002**	**1,038,998**

GOVERNMENT OF YUKON

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Community Services						
Operations and maintenance						
Office of the Deputy Minister	$ 310,000	$ -	$ -	$ 310,000	$ 316,915	$ (6,915)
Corporate services	1,287,000	(89,000)	-	1,198,000	1,186,882	11,118
Protective services	1,082,000	(87,000)	-	995,000	1,008,009	(13,009)
Community development	22,949,000	173,000	-	23,122,000	23,117,682	4,318
Service Yukon	2,784,000	100,000	-	2,884,000	2,885,950	(1,950)
Consumer and safety services	2,426,000	-	-	2,426,000	2,387,129	38,871
	30,838,000	**97,000**	**-**	**30,935,000**	**30,902,567**	**32,433**
Capital						
Corporate services	96,000	-	10,000	106,000	282,781	(176,781)
Protective services	985,000	1,616,000	5,000	2,606,000	1,688,619	917,381
Community development	12,282,000	12,293,000	(15,000)	24,560,000	14,013,389	10,546,611
Service Yukon	86,000	61,000	-	147,000	88,830	58,170
	13,449,000	**13,970,000**	**-**	**27,419,000**	16,073,619	**11,345,381**
Less: Land development costs transferred to land held for sale					2,887,133	
Local improvement costs transferred to loans receivable					511,184	
					12,675,302	

GOVERNMENT OF YUKON

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Education						
Operations and maintenance						
Education support services	$ 12,643,000	$ (106,000)	$ -	$ 12,537,000	$ 12,031,647	$ 505,353
Public schools	60,983,000	92,000	-	61,075,000	61,451,735	(376,735)
Advanced education	18,702,000	125,000	-	18,827,000	18,617,866	209,134
	92,328,000	**111,000**	**-**	**92,439,000**	**92,101,248**	**337,752**
Capital						
Education support services	657,000	(27,000)	-	630,000	605,872	24,128
Public schools	8,387,000	(598,000)	-	7,789,000	7,347,259	441,741
Advanced education	1,360,000	420,000	-	1,780,000	1,718,455	61,545
	10,404,000	**(205,000)**	**-**	**10,199,000**	**9,671,586**	**527,414**

GOVERNMENT OF YUKON

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Energy, Mines & Resources						
Operations and maintenance						
Corporate services	$ 1,265,000	$ 84,000	$ 49,000	$ 1,398,000	$ 1,403,645	$ (5,645)
Corporate policy and planning	1,301,000	68,000	(43,000)	1,326,000	1,324,180	1,820
Resource management	1,307,000	355,000	(60,000)	1,602,000	1,571,724	30,276
Oil and gas management	1,748,000	(19,000)	(5,000)	1,724,000	1,644,434	79,566
Oil and gas development and pipeline	206,000	121,000	4,000	331,000	329,251	1,749
Minerals planning and development	669,000	(49,000)	55,000	675,000	670,966	4,034
	6,496,000	**560,000**	**-**	**7,056,000**	**6,944,200**	**111,800**
Capital						
Corporate services	45,000	25,000	(10,000)	60,000	59,775	225
Corporate policy and planning	130,000	(42,000)	1,000	89,000	76,207	12,793
Resource management	100,000	36,000	(34,000)	102,000	90,727	11,273
Oil and gas management	350,000	5,000	(14,000)	341,000	349,308	(8,308)
Oil and gas development and pipeline	750,000	339,000	49,000	1,138,000	820,858	317,142
Minerals planning and development	3,683,000	(345,000)	8,000	3,346,000	3,342,093	3,907
	5,058,000	**18,000**	**-**	**5,076,000**	4,738,968	**337,032**
Less land development costs transferred to land held for sale					41,809	
					4,697,159	

Schedule 6

GOVERNMENT OF YUKON

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Environment						
Operations and maintenance						
General management	$ 266,000	$ 35,000	$ 130,000	$ 431,000	$ 413,961	$ 17,039
Corporate services	4,003,000	23,000	(8,000)	4,018,000	3,835,481	182,519
Management of natural resources	6,943,000	(24,000)	(15,000)	6,904,000	7,011,913	(107,913)
Monitoring and compliance	4,375,000	(10,000)	(107,000)	4,258,000	4,152,343	105,657
	15,587,000	**24,000**	**-**	**15,611,000**	**15,413,698**	**197,302**
Capital						
Corporate services	373,000	(32,000)	8,000	349,000	365,008	(16,008)
Management of natural resources	896,000	(133,000)	(8,000)	755,000	666,264	88,736
Monitoring and compliance	10,000	-	-	10,000	6,000	4,000
	1,279,000	**(165,000)**	**-**	**1,114,000**	**1,037,272**	**76,728**

GOVERNMENT OF YUKON

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Finance						
Operations and maintenance						
Treasury	$ 4,410,000	$ 444,000	$ -	$ 4,854,000	$ 4,627,977	$ 226,023
Workers' compensation supplementary benefits	382,000	-	-	382,000	414,791	(32,791)
Bad debts expense	74,000	-	-	74,000	156,470	(82,470)
	4,866,000	**444,000**	**-**	**5,310,000**	**5,199,238**	**110,762**
Capital						
Treasury	**280,000**	**(145,000)**	**-**	**135,000**	**101,795**	**33,205**

GOVERNMENT OF YUKON

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Health and Social Services						
Operations and maintenance						
Policy, planning and administration	$ 4,011,000	$ 348,000	$ 60,000	$ 4,419,000	$ 4,459,183	$ (40,183)
Family and children's services	25,948,000	1,179,000	-	27,127,000	27,886,832	(759,832)
Social services	31,017,000	(397,000)	-	30,620,000	28,571,379	2,048,621
Health services	70,345,000	4,383,000	-	74,728,000	75,885,120	(1,157,120)
Regional services	4,014,000	-	-	4,014,000	3,734,606	279,394
Alcohol and Drug Secretariat	2,407,000	630,000	(60,000)	2,977,000	2,736,271	240,729
	137,742,000	**6,143,000**	**-**	**143,885,000**	143,273,391	**611,609**
Less loan payments transferred to long-term debt					60,933	
					143,212,458	
Capital						
Policy, planning and administration	170,000	152,000	10,000	332,000	333,004	(1,004)
Family and children's services	214,000	339,000	(10,000)	543,000	419,679	123,321
Social services	802,000	2,032,000	-	2,834,000	2,532,921	301,079
Health services	1,441,000	19,000	-	1,460,000	1,166,995	293,005
Alcohol and Drug Secretariat	50,000	105,000	-	155,000	150,799	4,201
Regional services	-	-	-	-	2,929	(2,929)
	2,677,000	**2,647,000**	**-**	**5,324,000**	**4,606,327**	**717,673**

GOVERNMENT OF YUKON

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Infrastructure						
Operations and maintenance						
Corporate services	$ 3,171,000	$ 79,000	$ -	$ 3,250,000	$ 3,244,954	$ 5,046
Information and communications technology	6,468,000	(98,000)	-	6,370,000	6,343,586	26,414
Transportation	40,199,000	(133,000)	(83,000)	39,983,000	39,533,426	449,574
Supply services	2,525,000	96,000	83,000	2,704,000	2,567,933	136,067
Property management	12,825,000	(67,000)	-	12,758,000	12,466,269	291,731
French language services	1,446,000	95,000	-	1,541,000	1,577,947	(36,947)
Central stores write-off	-	-	-	-	14,108	(14,108)
	66,634,000	**(28,000)**	**-**	**66,606,000**	**65,748,223**	**857,777**
Capital						
Corporate services	778,000	6,000	33,000	817,000	812,100	4,900
Information and communications technology	3,686,000	477,000	-	4,163,000	3,546,913	616,087
Transportation	40,314,000	5,353,000	(34,000)	45,633,000	43,849,467	1,783,533
Supply services	45,000	(30,000)	11,000	26,000	25,925	75
Property management	3,277,000	280,000	(10,000)	3,547,000	3,428,395	118,605
French language services	23,000	133,000	-	156,000	18,508	137,492
	48,123,000	**6,219,000**	**-**	**54,342,000**	**51,681,308**	**2,660,692**

GOVERNMENT OF YUKON

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Justice						
Operations and maintenance						
Management services	$ 2,486,000	$ (10,000)	$ -	$ 2,476,000	$ 2,224,076	$ 251,924
Court services	4,027,000	513,000	-	4,540,000	4,504,046	35,954
Legal services	4,193,000	(10,000)	-	4,183,000	3,762,854	420,146
Regulatory services	774,000	-	-	774,000	583,691	190,309
Community and correctional services	8,852,000	(10,000)	(48,000)	8,794,000	8,447,579	346,421
Community justice and public safety	13,258,000	445,000	48,000	13,751,000	14,027,913	(276,913)
Human rights	413,000	-	-	413,000	384,856	28,144
	34,003,000	**928,000**	**-**	**34,931,000**	**33,935,015**	**995,985**
Capital						
Management services	390,000	139,000	-	529,000	418,663	110,337
Community and correctional services	3,131,000	(1,418,000)	-	1,713,000	1,207,293	505,707
	3,521,000	**(1,279,000)**	**-**	**2,242,000**	**1,625,956**	**616,044**

GOVERNMENT OF YUKON

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Public Service Commission						
Operations and maintenance						
Finance and administration	$ 561,000	$ 104,000	$ -	$ 665,000	$ 755,877	$ (90,877)
Corporate human resource services	1,439,000	-	-	1,439,000	1,320,235	118,765
Pay and benefits management	1,123,000	-	-	1,123,000	1,287,891	(164,891)
Staff relations	995,000	-	-	995,000	831,461	163,539
Workers' compensation fund	2,660,000	-	-	2,660,000	2,798,824	(138,824)
Planning and research	313,000	101,000	-	414,000	459,004	(45,004)
Employee leave and termination benefits adjustment	2,390,000	1,150,000	-	3,540,000	11,334,621	(7,794,621)
Staff development	2,117,000	51,000	-	2,168,000	2,160,625	7,375
	11,598,000	**1,406,000**	**-**	**13,004,000**	**20,948,538**	**(7,944,538)**
Capital						
Finance and administration	**5,000**	**54,000**	**-**	**59,000**	**58,643**	**357**
Yukon Development Corporation (Transfer Payment)						
Capital						
Rate stabilization fund	**3,000,000**	**-**	**-**	**3,000,000**	**3,000,000**	**-**

GOVERNMENT OF YUKON

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Yukon Housing Corporation (Transfer Payment)						
Operations and maintenance						
Expenditures	$ 2,459,000	$ (1,000,000)	$ -	$ 1,459,000	$ (201,150)	$ 1,660,150
Capital						
Expenditures	2,296,000	(200,000)	-	2,096,000	1,790,507	305,493
Interest on Loans						
Operations and maintenance						
Interest	371,000	-	-	371,000	357,709	13,291

GOVERNMENT OF YUKON

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2003

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Totals						
Operations and maintenance	$ 436,635,000	$ 13,520,000	$ -	$ 450,155,000	$ 451,455,331	$ (1,300,331)
Capital	104,497,000	13,670,000	-	118,167,000	98,711,037	19,455,963
	$ 541,132,000	**$ 27,190,000**	**$ -**	**$ 568,322,000**	550,166,368	**$ 18,155,632**
Less: Land development costs transferred to land held for sale					2,928,942	
Local improvement costs transferred to loans receivable					511,184	
Loan payments transferred to long-term debt					60,933	
Adjustment due to change in accounting policy (Note 3)					2,482,000	
					$ 544,183,309	

GOVERNMENT OF YUKON

Schedule 7

Schedule of Recoveries of Prior Years' Expenditures for the year ended March 31, 2003

Department	Over Accruals	Other Recoveries	Total
Health and Social Services	$ 236,451	$ 38,122	$ 274,573
Education	273,646	-	273,646
Business, Tourism and Culture	42,755	13,173	55,928
Environment	50,554	-	50,554
Infrastructure	46,286	1,066	47,352
Energy, Mines and Resources	1,445	30,404	31,849
Justice	16,677	6,181	22,858
Public Service Commission	2,091	7,000	9,091
Community Services	3,587	13	3,600
Executive Council Office	1,945	-	1,945
Legislative Assembly	610	-	610
	$ 676,047	**$ 95,959**	**$ 772,006**

GOVERNMENT OF YUKON

Schedule 8

Schedule of Grants
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Appropriation	Actual Expenditures	Under (Over) Appropriation
Executive Council Office						
Operations and maintenance						
Community workshops on family violence	$ 5,000	$ -	$ -	$ 5,000	$ 5,000	$ -
	5,000	**-**	**-**	**5,000**	**5,000**	**-**
Business, Tourism and Culture						
Operations and maintenance						
Museum grants	23,000	-	-	23,000	-	23,000
Yukon Arts Centre Corporation	349,000	-	-	349,000	349,300	(300)
	372,000	**-**	**-**	**372,000**	**349,300**	**22,700**
Community Services						
Operations and maintenance						
In lieu of property taxes	3,955,000	44,000	-	3,999,000	3,999,444	(444)
Community/local advisory council operation and maintenance grants	70,000	-	-	70,000	68,947	1,053
Home owner grants	2,454,000	-	-	2,454,000	2,476,602	(22,602)
Comprehensive municipal grants	11,817,000	-	-	11,817,000	11,816,869	131
	18,296,000	**44,000**	**-**	**18,340,000**	**18,361,862**	**(21,862)**

GOVERNMENT OF YUKON

Schedule of Grants
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Appropriation	Actual Expenditures	Under (Over) Appropriation
Education						
Operations and maintenance						
Teacher training (French bursaries)	$ 10,000	$ -	$ -	$ 10,000	$ 10,000	$ -
Post secondary student grants	3,667,000	-	-	3,667,000	3,689,587	(22,587)
Post secondary student scholarships	62,000	-	-	62,000	67,209	(5,209)
	3,739,000	**-**	**-**	**3,739,000**	**3,766,796**	**(27,796)**
Environment						
Operations and maintenance						
University of Saskatchewan	5,000	1,000	-	6,000	5,000	1,000
Fur Institute of Canada	6,000	-	-	6,000	6,000	-
	11,000	**1,000**	**-**	**12,000**	**11,000**	**1,000**

GOVERNMENT OF YUKON

Schedule 8

Schedule of Grants
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Appropriation	Actual Expenditures	Under (Over) Appropriation
Health and Social Services						
Operations and maintenance						
Adoption subsidies	$ 75,000	$ 12,000	$ -	$ 87,000	$ 56,163	$ 30,837
Child care operating grants	1,648,000	-	-	1,648,000	1,775,889	(127,889)
Child care subsidies	3,399,000	-	-	3,399,000	2,971,091	427,909
Federal child benefit - Whitehorse	180,000	-	-	180,000	232,662	(52,662)
Youth allowance	2,000	-	-	2,000	310	1,690
Employment incentive grants	300,000	-	-	300,000	217,037	82,963
Social assistance - Whitehorse	8,045,000	(397,000)	-	7,648,000	7,699,892	(51,892)
Yukon seniors income supplement	261,000	-	-	261,000	195,372	65,628
Pioneer utility grant	511,000	-	-	511,000	543,600	(32,600)
Rehabilitation subsidies	20,000	-	-	20,000	4,414	15,586
In lieu of property taxes - continuing care	250,000	-	-	250,000	196,703	53,297
Medical travel subsidies	150,000	10,000	-	160,000	152,992	7,008
In lieu of property taxes - community nursing	64,000	-	-	64,000	57,646	6,354
Federal child benefit - region	43,000	-	-	43,000	61,180	(18,180)
Social assistance - region	820,000	-	-	820,000	886,939	(66,939)
Alcohol and drug - education and prevention	10,000	-	-	10,000	8,070	1,930
	15,778,000	**(375,000)**	**-**	**15,403,000**	**15,059,960**	**343,040**

GOVERNMENT OF YUKON

Schedule 8

Schedule of Grants
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Appropriation	Actual Expenditures	Under (Over) Appropriation
Justice						
Operations and maintenance						
Institutional facilities inmate allowance	$ 50,000	$ -	$ -	$ 50,000	$ 38,442	$ 11,558
Human Rights Commission	371,000	-	-	371,000	371,000	-
	421,000	**-**	**-**	**421,000**	**409,442**	**11,558**
Yukon Development Corporation (Transfer Payment)						
Capital						
Rate stabilization fund	**3,000,000**	**-**	**-**	**3,000,000**	**3,000,000**	**-**
Totals						
Operations and maintenance	38,622,000	(330,000)	-	38,292,000	37,963,360	328,640
Capital	3,000,000	-	-	3,000,000	3,000,000	-
	$ 41,622,000	**$ (330,000)**	**$ -**	**$ 41,292,000**	**$ 40,963,360**	**$ 328,640**

GOVERNMENT OF YUKON

Schedule 9

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Executive Council Office						
Operations and maintenance						
Land claims implementation initiatives	$ 1,822,000	$ -	$ -	$ 1,822,000	$ 1,403,842	$ 418,158
Yukon First Nations	550,000	(550,000)	-	-	-	-
Community language initiatives	690,000	-	-	690,000	637,681	52,319
Victoria Faulkner Women's Centre	70,000	-	-	70,000	70,000	-
Yukon Status of Women Council	12,000	-	3,000	15,000	15,000	-
Potlatch Society	10,000	-	-	10,000	-	10,000
Commissioner's entertainment allowance	5,000	-	-	5,000	4,680	320
Youth strategy initiatives	350,000	-	24,000	374,000	374,062	(62)
Yukon Chamber of Mines	-	-	15,000	15,000	15,000	-
Pacific Northwest Canadian Studies Consortium	-	-	6,000	6,000	6,000	-
Klondike Visitors Association	-	-	-	-	3,000	(3,000)
Native investment and trade	-	-	-	-	10,000	(10,000)
Kaska Tribal Council	-	-	81,000	81,000	81,000	-
	3,509,000	**(550,000)**	**129,000**	**3,088,000**	**2,620,265**	**467,735**
Capital						
Yukon permanent fund	10,000,000	(10,000,000)	-	-	-	-
Kwanlin Dun Heritage Cultural Centre	-	880,000	-	880,000	418,473	461,527
Kwanlin Dun waterfront land purchase	-	1,235,000	-	1,235,000	-	1,235,000
Land claims implementation	-	-	-	-	91,530	(91,530)
	10,000,000	**(7,885,000)**	**-**	**2,115,000**	**510,003**	**1,604,997**

GOVERNMENT OF YUKON

Schedule 9

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Business, Tourism and Culture						
Operations and maintenance						
Yukon Chamber of Commerce						
- operation support	$ 36,000	$ -	$ -	$ 36,000	$ 36,000	$ -
- Alaska trade show	8,000	-	-	8,000	-	8,000
- Canada-Yukon Business Service Centre	45,000	-	-	45,000	45,000	-
Yukon Federation of Labour	36,000	-	-	36,000	36,000	-
Yukon Building and Construction Trades Council	15,000	-	-	15,000	15,000	-
Canadian Information Processing Society	15,000	-	-	15,000	-	15,000
Technology Innovation Centre	75,000	-	-	75,000	75,000	-
Business Development Bank of Canada	5,000	-	-	5,000	5,000	-
Yukon Convention Bureau Society	200,000	-	-	200,000	200,000	-
Alaska Tourism Marketing Council	267,000	18,000	-	285,000	284,493	507
Wilderness Tourism Association of the Yukon	50,000	-	224,000	274,000	274,000	-
Yukon Quest	150,000	-	-	150,000	150,000	-
Sourdough Rendevous	15,000	-	-	15,000	15,000	-
Tourism Industry Association of Yukon						
- administration	130,000	-	-	130,000	130,000	-
- vacation guide	140,000	-	14,000	154,000	153,750	250
- Yukon tourism marketing partnerships	-	-	100,000	100,000	100,000	-
First Nation Tourism Association	60,000	-	-	60,000	60,000	-
Yukon Science Institute	16,000	-	-	16,000	16,500	(500)
Innovators in the school	7,000	-	-	7,000	6,500	500
Museums						
- training support	1,000	-	-	1,000	1,000	-
- general operation and maintenance support	11,000	-	-	11,000	23,500	(12,500)
- curator/director salary support	143,000	-	-	143,000	154,000	(11,000)
Yukon Recreation Advisory Committee arts group	505,000	-	-	505,000	475,110	29,890
Artist in school	25,000	-	-	25,000	25,000	-

GOVERNMENT OF YUKON

Schedule 9

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Business, Tourism and Culture						
Operations and maintenance (continued)						
Dawson City Arts Society	$ 100,000	$ 25,000	$ -	$ 125,000	$ 125,000	$ -
Friends of Yukon Archives Society	9,000	-	-	9,000	9,000	-
Alaska Tourism Industry Association	-	-	156,000	156,000	156,540	(540)
Association franco-yukonnaise	-	-	2,000	2,000	2,000	-
Stay another Day	-	-	118,000	118,000	116,408	1,592
Friends of the Gallery	-	-	-	-	2,500	(2,500)
Canadian Home Builders Association	-	-	-	-	2,700	(2,700)
Faro sustainable development	-	-	-	-	1,500	(1,500)
Whitehorse Chamber of Commerce	-	-	-	-	500	(500)
Recording Arts Industry Yukon Association	-	-	-	-	10,000	(10,000)
	2,064,000	**43,000**	**614,000**	**2,721,000**	**2,707,001**	**13,999**
Capital						
Micro loan program	72,000	-	-	72,000	65,000	7,000
Technology Innovation Centre	200,000	200,000	(50,000)	350,000	123,899	226,101
MOU partnerships	70,000	55,000	-	125,000	125,393	(393)
Film incentive program	165,000	-	50,000	215,000	158,823	56,177
Film infrastructure support	62,000	(62,000)	-	-	-	-
Kwanlin Dun Heritage Cultural Centre	200,000	(200,000)	-	-	-	-
Museums assistance	280,000	50,000	-	330,000	267,115	62,885
Exhibits assistance	140,000	-	-	140,000	139,924	76
Conservation and security	10,000	14,000	-	24,000	25,254	(1,254)
Historic sites maintenance	55,000	-	8,000	63,000	62,481	519
Fort Selkirk	115,000	-	10,000	125,000	123,586	1,414
Rampart House	16,000	-	(3,000)	13,000	10,000	3,000

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Business, Tourism and Culture						
Capital (continued)						
Heritage trails	$ 25,000	$ -	$ -	$ 25,000	$ -	$ 25,000
Visual arts acquisition	10,000	-	-	10,000	10,000	-
Arts Centre capital maintenance and equipment replacement	150,000	-	-	150,000	150,000	-
Arts fund	500,000	85,000	-	585,000	509,684	75,316
Community access program	-	236,000	-	236,000	-	236,000
Forty Mile	-	-	44,000	44,000	41,900	2,100
Heritage studies - Kaska Tribal Council	-	-	5,000	5,000	5,000	-
Historic sites inventory - Carcross Tagish First Nation	-	-	2,000	2,000	2,049	(49)
Palaeontology	-	-	4,000	4,000	3,706	294
First Nations community archaeology project	-	-	26,000	26,000	24,212	1,788
Millennium fine arts	-	-	9,000	9,000	8,500	500
	2,070,000	**378,000**	**105,000**	**2,553,000**	**1,856,526**	**696,474**
Community Services						
Operations and maintenance						
Community recreation/active living	563,000	23,000	-	586,000	573,568	12,432
Sport	820,000	106,000	-	926,000	920,936	5,064
Association of Yukon Communities	100,000	-	-	100,000	100,000	-
Selkirk First Nation	66,000	(66,000)	-	-	-	-
Community library boards	300,000	13,000	-	313,000	303,736	9,264
	1,849,000	**76,000**	**-**	**1,925,000**	**1,898,240**	**26,760**

GOVERNMENT OF YUKON

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Community Services						
Capital						
Fire Smart	$ 450,000	$ 1,550,000	$ -	$ 2,000,000	$ 1,145,691	$ 854,309
Emergency command vehicle - Watson Lake	25,000	-	-	25,000	-	25,000
Project Yukon	650,000	3,534,000	-	4,184,000	1,044,505	3,139,495
City of Whitehorse recreation facilities	1,000,000	-	-	1,000,000	1,000,000	-
Carmacks Recreation Centre	350,000	26,000	-	376,000	349,000	27,000
Recreation facilities - various	60,000	-	-	60,000	64,908	(4,908)
Skating arena improvement - Pelly Crossing	340,000	-	-	340,000	340,000	-
Addition to recreation centre - Tagish	100,000	(40,000)	(25,000)	35,000	30,000	5,000
Reserve fund for Dawson City projects	2,100,000	65,000	-	2,165,000	2,066,395	98,605
Sewage disposal plant upgrade - Carmacks	750,000	-	-	750,000	-	750,000
Fire fighter crew cab - Haines Junction	-	50,000	-	50,000	49,910	90
Carcross Recreation Centre	-	60,000	-	60,000	60,000	-
Canada Winter Games infrastructure fund	-	8,000,000	-	8,000,000	-	8,000,000
Burwash beautification	-	49,000	-	49,000	41,260	7,740
Whitehorse compost site upgrade	-	91,000	-	91,000	91,150	(150)
Haines Junction alternate municipal water supply	-	276,000	-	276,000	275,950	50
Faro water and sewage system upgrade	-	55,000	-	55,000	-	55,000
Mayo sewer main replacement	-	268,000	-	268,000	178,927	89,073
Great Northern Ski Society	-	-	25,000	25,000	25,000	-
	5,825,000	**13,984,000**	**-**	**19,809,000**	**6,762,696**	**13,046,304**

GOVERNMENT OF YUKON

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Education						
Operations and maintenance						
Education related organizations	$ 10,000	$ -	$ 29,000	$ 39,000	$ 38,898	$ 102
Remuneration school councils/committees	148,000	-	-	148,000	147,125	875
Student transportation	101,000	-	36,000	137,000	132,490	4,510
Special payments for education-related events/student activities	35,000	11,000	70,000	116,000	121,285	(5,285)
Student accommodation (boarding subsidy)	115,000	-	-	115,000	106,307	8,693
Yukon Teachers' Association						
- president's salary	92,000	-	-	92,000	91,525	475
- professional development fund	362,000	-	-	362,000	362,000	-
- teacher mentoring fund	-	25,000	-	25,000	25,000	-
Native language program	352,000	-	-	352,000	352,000	-
Arts contributions	31,000	-	-	31,000	31,000	-
Yukon Francophone School Board						
- operations	64,000	10,000	-	74,000	74,000	-
- special initiatives	114,000	-	-	114,000	114,000	-
Association franco-yukonnaise - special initiatives	110,000	-	-	110,000	110,000	-
Interchange on Canadian studies	9,000	-	1,000	10,000	10,019	(19)
First Nations elder pilot project	15,000	-	3,000	18,000	17,780	220
Western Canada Protocol						
- First Nation language pilot project	12,000	-	-	12,000	12,240	(240)
French cultural activities	15,000	-	4,000	19,000	18,745	255
Innovators in school program	57,000	-	-	57,000	57,000	-
Filling in the cracks	15,000	-	-	15,000	15,000	-
Yukon College	11,089,000	-	-	11,089,000	11,088,853	147
Yukon College						
- international programs (English as a second language)	50,000	-	-	50,000	50,000	-

GOVERNMENT OF YUKON

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Education						
Operations and maintenance (continued)						
Yukon College						
- College Board	$ 20,000	$ -	$ -	$ 20,000	$ 20,000	$ -
- seat purchases	500,000	80,000	(31,000)	549,000	409,950	139,050
- Bachelor of social work	320,000	-	-	320,000	320,000	-
- Yukon native teacher education program	520,000	-	-	520,000	520,000	-
Student training and employment program	189,000	-	-	189,000	182,590	6,410
Apprenticeship initiatives	31,000	-	-	31,000	30,768	232
Literacy initiatives	130,000	-	-	130,000	130,000	-
Canada/Yukon summer program	114,000	-	-	114,000	111,842	2,158
Yukon Learn	150,000	-	-	150,000	150,000	-
Labour market initiatives	4,000	-	-	4,000	3,000	1,000
	14,774,000	**126,000**	**112,000**	**15,012,000**	**14,853,417**	**158,583**
Capital						
Yukon College	750,000	-	-	750,000	750,000	-
Community training fund	400,000	272,000	-	672,000	699,806	(27,806)
Canada - Yukon youth internship program	75,000	-	-	75,000	75,000	-
Yukon work information network	35,000	-	-	35,000	34,149	851
Mayo community school						
- J.V. Clark school council	-	-	4,000	4,000	3,897	103
Polarettes Gymnastics Club	-	-	5,000	5,000	5,000	-
Association franco-yukonnaise	-	-	-	-	5,000	(5,000)
	1,260,000	**272,000**	**9,000**	**1,541,000**	**1,572,852**	**(31,852)**

GOVERNMENT OF YUKON

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Energy, Mines and Resources						
Operations and maintenance						
Utilities consumers group	$ 2,000	$ 1,000	$ -	$ 3,000	$ 3,000	$ -
Klondike Placer Miners' Association	15,000	-	-	15,000	15,000	-
Yukon Chamber of Mines	45,000	15,000	5,000	65,000	65,000	-
Yukon Placer Committee	41,000	16,000	-	57,000	57,219	(219)
Dawson Humane Society	-	20,000	-	20,000	20,000	-
East west electrical grid - national	-	1,000	-	1,000	-	1,000
Yukon Forest Industry Association	-	25,000	37,000	62,000	57,940	4,060
Indian & Northern Affairs	-	20,000	-	20,000	20,000	-
Yukon Agriculture Association	-	15,000	-	15,000	15,000	-
Yukon Agriculture Association	-	-	21,000	21,000	23,055	(2,055)
Various First Nations - MOU	-	10,000	-	10,000	-	10,000
Council of Yukon First Nations	-	81,000	3,000	84,000	84,187	(187)
Kwanlin Dun First Nation	-	50,000	-	50,000	50,000	-
Kaska Tribal Council	-	50,000	-	50,000	50,000	-
Kaska Forest Stewardship Council	-	-	18,000	18,000	18,000	-
Mining Association of Canada	-	-	5,000	5,000	5,000	-
Little Salmon Carmacks First Nation	-	-	19,000	19,000	19,000	-
Faro sustainable development	-	-	-	-	1,500	(1,500)
Association of Professional Engineers of Yukon	-	-	-	-	500	(500)
	103,000	**304,000**	**108,000**	**515,000**	**504,401**	**10,599**

GOVERNMENT OF YUKON

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Energy, Mines and Resources						
Capital						
Resource assessments - oil and gas	$ 20,000	$ 160,000	$ -	$ 180,000	$ 180,000	$ -
Oil and gas development and pipeline						
- Akita Drilling Ltd.	-	-	-	-	10,000	(10,000)
- Midnight Sun Drilling Ltd.	-	2,000	1,000	3,000	4,172	(1,172)
- Kaska Tribal Council	-	250,000	-	250,000	50,000	200,000
- Kwanlin Dun First Nation	-	15,000	-	15,000	15,000	-
Yukon mining incentives program	728,000	-	(25,000)	703,000	696,971	6,029
Geological surveys	173,000	(58,000)	1,000	116,000	114,850	1,150
Mining environment research group	25,000	-	-	25,000	25,000	-
	946,000	**369,000**	**(23,000)**	**1,292,000**	**1,095,993**	**196,007**

GOVERNMENT OF YUKON

Schedule 9

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Environment						
Operations and maintenance						
Environmental public awareness	$ 30,000	$ -	$ -	$ 30,000	$ 27,518	$ 2,482
Canadian Council for Ministers of Environment	2,000	-	-	2,000	1,159	841
Yukon Conservation Society	35,000	-	-	35,000	37,000	(2,000)
Mackenzie River Basin agreement	8,000	-	-	8,000	8,000	-
Wildlife Management Advisory Council	148,000	-	-	148,000	154,638	(6,638)
Porcupine Caribou Management Board	48,000	-	-	48,000	48,000	-
Yukon College	45,000	-	-	45,000	45,000	-
Yukon Trappers Association	68,000	-	-	68,000	68,000	-
Arctic Borderland Ecological Knowledge Society	5,000	-	-	5,000	5,000	-
Whitehorse Fish Hatchery	75,000	-	-	75,000	100,000	(25,000)
Yukon Fish and Game Association	40,000	-	-	40,000	30,000	10,000
Global warming/climate change	75,000	-	-	75,000	75,000	-
Waste reduction initiatives	100,000	-	(32,000)	68,000	69,150	(1,150)
Canadian Wildlife Federation	-	1,000	-	1,000	1,000	-
Champagne Aishihik First Nation	-	-	10,000	10,000	10,000	-
University of Sheffield	-	-	5,000	5,000	10,764	(5,764)
Safety in Bear Country Society - video project	-	-	4,000	4,000	4,000	-
University of Saskatchewan - IFA wildlife program	-	-	-	-	7,500	(7,500)
Carmacks Renewable Resources Council	-	-	-	-	5,000	(5,000)
Wildlife Habitat Canada	-	-	-	-	4,000	(4,000)
Department of Fisheries and Oceans	-	-	-	-	940	(940)
Southern Lakes Caribou Recovery Committee	-	-	-	-	14,000	(14,000)
Canadian Parks and Wilderness Society	-	-	-	-	6,000	(6,000)
	679,000	**1,000**	**(13,000)**	**667,000**	**731,669**	**(64,669)**

Schedule 9

GOVERNMENT OF YUKON

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Environment						
Capital						
Yukon Energy Corporation - spawntake project	$ -	$ -	$ -	$ -	$ 15,000	$ (15,000)
Yukon Energy Corporation - hatchery	-	-	-	-	15,000	(15,000)
	-	-	-	-	**30,000**	**(30,000)**
Finance						
Operations and maintenance						
Public utilities income tax transfer	218,000	-	-	218,000	217,890	110
Workers compensation supplementary benefits	382,000	-	-	382,000	414,791	(32,791)
Northern awareness	-	-	-	-	2,000	(2,000)
Association of Professional Engineers of Yukon	-	-	-	-	500	(500)
Yukon Entrepreneurship Society	-	-	-	-	21,500	(21,500)
	600,000	-	-	**600,000**	**656,681**	**(56,681)**

GOVERNMENT OF YUKON

Schedule 9

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Health and Social Services						
Operations and maintenance						
Yukon Health and Social Services Council	$ 40,000	$ -	$ -	$ 40,000	$ 42,638	$ (2,638)
United Way	10,000	-	-	10,000	10,000	-
Youth Centre	10,000	(10,000)	-	-	-	-
Kids' recreation fund	60,000	-	-	60,000	60,000	-
Food for learning	30,000	-	-	30,000	30,000	-
Youth of Today Society	8,000	10,000	-	18,000	18,000	-
Yukon Advisory Council on First Nations Child Welfare	41,000	(41,000)	-	-	-	-
Community development projects	10,000	-	-	10,000	5,707	4,293
Foster Parent Association	10,000	-	-	10,000	10,000	-
Whitehorse Transit - Handi Bus	184,000	-	-	184,000	184,000	-
Yukon Medical Association						
- malpractice insurance	262,000	-	-	262,000	261,342	658
- education	177,000	23,000	-	200,000	200,000	-
- physician recruitment/retention initiatives	70,000	157,000	-	227,000	227,500	(500)
- medical student bursary	10,000	-	-	10,000	-	10,000
- rural incentive	5,000	-	-	5,000	-	5,000
Yukon hospital insurance services	7,335,000	1,115,000	-	8,450,000	8,753,851	(303,851)
Yukon Hospital Corporation	20,673,000	-	-	20,673,000	20,672,306	694
Health investment fund	157,000	-	-	157,000	157,000	-
Yukon Registered Nurses Association		-				
- nursing education fund	50,000	-	-	50,000	50,000	-
- nursing advisory committee	10,000	-	-	10,000	17,620	(7,620)
- nurses post basic specialty education fund	75,000	-	-	75,000	75,000	-
Liard family support	43,000	-	-	43,000	43,000	-
Ross River Dena family support	44,000	-	-	44,000	32,250	11,750
Kwanlin Dun First Nation child welfare	-	64,000	-	64,000	65,000	(1,000)
Alcohol and drug - Yukon College	-	22,000	-	22,000	19,557	2,443

GOVERNMENT OF YUKON

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Health and Social Services						
Operations and maintenance (continued)						
Prairie Northern Pacific FAS Partnership	$ -	$ -	$ -	$ -	$ 6,500	$ (6,500)
Kwanlin Dun community social justice	-	-	-	-	47,000	(47,000)
Salvation Army	-	-	-	-	40,000	(40,000)
Province of Alberta western health information collaborative	-	-	-	-	13,156	(13,156)
Council of Yukon First Nations - health summit	-	-	-	-	10,000	(10,000)
Recreation and Parks Association	-	-	-	-	5,934	(5,934)
Yukon Family Services	-	-	-	-	3,000	(3,000)
Miscellaneous	-	-	-	-	7,239	(7,239)
	29,314,000	**1,340,000**	**-**	**30,654,000**	**31,067,600**	**(413,600)**
Capital						
Child care services development	20,000	80,000	-	100,000	38,407	61,593
Women's shelters - renovations and equipment	15,000	-	-	15,000	15,000	-
Yukon Hospital Corporation - equipment	400,000	-	-	400,000	400,000	-
Health promotion - renovations	-	8,000	-	8,000	8,000	-
	435,000	**88,000**	**-**	**523,000**	**461,407**	**61,593**

Schedule 9

GOVERNMENT OF YUKON

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Infrastructure						
Operations and maintenance						
Miles Canyon Historical Railway Society	$ 82,000	$ (10,000)	$ -	$ 72,000	$ 74,900	$ (2,900)
Association franco-yukonnaise	160,000	-	(10,000)	150,000	150,000	-
Yukon Hospital Corporation	-	30,000	-	30,000	29,917	83
Kwanlin Dun First Nation	-	50,000	-	50,000	45,000	5,000
	242,000	**70,000**	**(10,000)**	**302,000**	**299,817**	**2,183**
Capital						
Connect Yukon	1,700,000	-	-	1,700,000	1,700,000	-
Rural road upgrade	-	62,000	-	62,000	102,439	(40,439)
Association franco-yukonnaise	-	145,000	-	145,000	5,600	139,400
IT sector strategy	-	-	-	-	20,333	(20,333)
	1,700,000	**207,000**	**-**	**1,907,000**	**1,828,372**	**78,628**

GOVERNMENT OF YUKON

Schedule 9

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Justice						
Operations and maintenance						
Legal aid program	$ 1,356,000	$ -	$ -	$ 1,356,000	$ 1,256,000	$ 100,000
Aboriginal courtworker program	344,000	30,000	-	374,000	377,105	(3,105)
Yukon Public Legal Education Association	85,000	-	-	85,000	85,000	-
Access to justice agreement	67,000	-	-	67,000	-	67,000
Yukon Utilities Board	190,000	-	-	190,000	-	190,000
Teslin Tlingit Council	200,000	-	-	200,000	200,000	-
Community residential centre (Salvation Army)	316,000	-	-	316,000	316,000	-
Youth leadership program	174,000	-	-	174,000	172,613	1,387
Community justice projects	293,000	-	-	293,000	296,630	(3,630)
Yukon Family Services Association	-	-	-	-	4,000	(4,000)
	3,025,000	**30,000**	**-**	**3,055,000**	**2,707,348**	**347,652**
Yukon Housing Corporation (Transfer Payment)						
Operations and maintenance Expenditures	**2,459,000**	**(1,000,000)**	**-**	**1,459,000**	**(201,150)**	**1,660,150**
Capital Expenditures	**2,296,000**	**(200,000)**	**-**	**2,096,000**	**1,790,507**	**305,493**

Schedule 9

GOVERNMENT OF YUKON

Schedule of Contributions
for the year ended March 31, 2003

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Totals						
Operations and maintenance	$ 58,618,000	$ 440,000	$ 940,000	$ 59,998,000	$ 57,845,289	$ 2,152,711
Capital	24,532,000	7,213,000	91,000	31,836,000	15,908,356	15,927,644
	$ 83,150,000	**$ 7,653,000**	**$ 1,031,000**	**$ 91,834,000**	**$ 73,753,645**	**$ 18,080,355**

GOVERNMENT OF YUKON

Schedule 10

Schedule of Special Warrants
for the year ended March 31, 2003

Warrant Number	Purpose		Amount (thousands of dollars)
No. 1	Operations and maintenance	Yukon Legislative Assembly	$ 1,358
		Elections Office	51
		Office of the Ombudsman	87
		Executive Council Office	5,520
		Business, Tourism and Culture	5,117
		Community Services	15,238
		Education	34,831
		Energy, Mines and Resources	1,623
		Environment	4,496
		Finance	1,257
		Health and Social Services	71,700
		Infrastructure	33,988
		Justice	19,936
		Public Service Commission	3,690
		Yukon Housing Corporation	3,657
		Loan Amortization	108
		Loan Capital	5,000
			207,657
	Capital	Business, Tourism and Culture	4,027
		Community Services	13,449
		Education	(192)
		Energy, Mines and Resources	5,058
		Environment	1,279
		Finance	250
		Infrastructure	48,123
		Community and Transportation Services	(54,370)
		Economic Development	(6,497)
		Government Services	(6,183)
		Renewable Resources	(1,370)
		Tourism	(3,574)
			-
			$ 207,657

The special warrant authorized spending, in addition to the amount provided in the *First Appropriation Act* (Yukon) *2002-03*, for the purpose of financing government operations for the period April 1, 2002 to June 30, 2002.

This warrant was subsequently approved by the *Second Appropriation Act* (Yukon) *2002-03*.

GOVERNMENT OF YUKON

Schedule 10

Schedule of Special Warrants
for the year ended March 31, 2003

Warrant Number		Purpose	Amount (thousands of dollars)
No. 2	Operations and maintenance	Elections Office	$ 461
			461
	Capital	Elections Office	10
		Business, Tourism and Culture	496
		Community Services	1,044
		Education	3,287
		Environment	194
		Health and Social Services	2,040
		Infrastructure	4,193
		Justice	715
		Public Service Commission	25
			12,004
			$ 12,465

The special warrant authorized spending, in addition to the amounts provided in the *First Appropriation Act* (Yukon) *2002-03* and the *Second Appropriation Act* (Yukon) *2002-03*, for the purpose of financing government operations for the period October 1, 2002 to March 31, 2003.

This warrant was subsequently approved by the *Third Appropriation Act* (Yukon) *2002-03*.

GOVERNMENT OF YUKON

Schedule 10

Schedule of Special Warrants
for the year ended March 31, 2003

Warrant Number	Purpose		Amount (thousands of dollars)
No. 3	Operations and maintenance	Yukon Legislative Assembly	$ 2,797
		Office of the Ombudsman	31
		Executive Council Office	1,085
		Business, Tourism and Culture	461
		Community Services	97
		Education	136
		Energy, Mines and Resources	569
		Environment	24
		Finance	444
		Health and Social Services	5,963
		Infrastructure	(28)
		Justice	928
		Public Service Commission	1,406
		Yukon Housing Corporation	(1,000)
			12,913
	Capital	Executive Council Office	(7,885)
		Business, Tourism and Culture	135
		Community Services	12,926
		Education	(3,492)
		Energy, Mines and Resources	(302)
		Environment	(359)
		Finance	(145)
		Health and Social Services	607
		Infrastructure	2,026
		Justice	(1,994)
		Public Service Commission	29
		Yukon Housing Corporation	(1,730)
			(184)
			$ 12,729

The special warrant authorized spending, in addition to the amounts provided in the *First Appropriation Act* (Yukon) *2002-03,* the *Second Appropriation Act* (Yukon) *2002-03* and *Special Warrant (No. 2) 2002-03,* for the purpose of financing government operations for the period October 1, 2002 to March 31, 2003.

This warrant was subsequently approved by the *Third Appropriation Act* (Yukon) *2002-03*.

GOVERNMENT OF YUKON

Schedule 11

Schedule of Public Debt
for the year ended March 31, 2003

Maturity Date	Issue Date	Rate %	Purpose	Balance March 31, 2002	Retirements	Balance March 31, 2003
Loans Payable - Government of Canada						
Sep 15 2002	Sep 15 1967	6.0625	Low Cost Housing	$ 1,864	$ 1,864	$ -
Nov 24 2003	Nov 24 1978	9.5000	Municipal	57,728	41,772	15,956
Mar 10 2007	Mar 10 1987	9.0400	Municipal	572,000	-	572,000
Apr 09 2007	Apr 09 1987	9.1200	Municipal	430,000	-	430,000
May 07 2007	May 07 1987	9.1300	Municipal	766,000	-	766,000
Jun 04 2007	Jun 04 1987	9.8800	Municipal	793,000	-	793,000
Jul 09 2007	Jul 09 1987	9.8300	Municipal	329,000	-	329,000
Aug 07 2007	Aug 07 1987	9.7200	Municipal	192,000	-	192,000
Sep 10 2007	Sep 10 1987	10.4200	Municipal	146,000	-	146,000
Oct 09 2007	Oct 09 1987	10.7900	Municipal	134,000	-	134,000
Nov 10 2007	Nov 10 1987	11.0700	Municipal	364,000	-	364,000
				3,785,592	43,636	3,741,956
Yukon Bonds						
Sep 15 2002	Sep 15 1983	13.0000	Municipal	30,000	30,000	-
Sep 15 2003	Sep 15 1983	13.0000	Municipal	35,000	-	35,000
				65,000	30,000	35,000
				$ 3,850,592	**$ 73,636**	**$ 3,776,956**

GOVERNMENT OF YUKON

Schedule 12

Schedule of Bad Debt Write-offs and Forgiveness
for the year ended March 31, 2003

Accounts Receivable Written Off

Education	
Olynyk, Daniel	$ 4,291
Zimmerman, Stephen	2,121
Birnie, Camas	878
Farr, Charlaine	747
Peter, Sharon B.	555
Environment	
Otto, Jeff	780
Close, James D.	731
Health and Social Services	
Wolfe, Timber	9,223
McDonald, Mark	3,867
Stormo, Sigmund	3,534
Canadian Outdoor Recreation	2,120
Engen, Wendy	1,941
Sommerfield, Jenny	612
MacKewen, Layla	540
English, Robert	536
Infrastructure	
Lacroix, Richard	8,771
Balair/CTA Leisure Ltd.	3,098
Total accounts written off over $500	44,345
All departments - other miscellaneous accounts less than $500	4,108
Total accounts written off	**$ 48,453**

GOVERNMENT OF YUKON

Schedule 13

Schedule of Guaranteed Debt
as at March 31, 2003

	2003	2002
Guarantees authorized pursuant to the *Yukon Development Corporation Act* (Yukon)		
Long-term debt	$ 43,491,000	$ 44,388,000
Guarantees authorized pursuant to the *Housing Corporation Act* (Yukon)		
Mortgages	20,141,000	20,799,000
Debentures	4,563,000	4,724,000
Guarantees authorized pursuant to the *Business Development Assistance Act* (Yukon)	659,626	736,584
Guarantees authorized pursuant to the *Economic Development Act* (Yukon)	345,072	347,560
	$ 69,199,698	**$ 70,995,144**

Schedule 14

Schedule of Garage Parts and Fuel Inventory Revolving Fund
for the year ended March 31, 2003

	2003	2002
Opening inventory	$ 1,175,497	$ 1,271,406
Add purchases	1,624,998	1,714,452
	2,800,495	2,985,858
Less consumption	1,685,963	1,810,361
Closing inventory	**$ 1,114,532**	**$ 1,175,497**

Schedule 15

Schedule of Central Stores Revolving Fund
for the year ended March 31, 2003

	2003	2002
Opening inventory	$ 467,307	$ 430,450
Add purchases	1,342,645	1,453,837
	1,809,952	1,884,287
Less consumption	1,363,000	1,416,980
Closing inventory	**$ 446,952**	**$ 467,307**

GOVERNMENT OF YUKON

Schedule 16

Schedule of Highway Materials Revolving Fund
for the year ended March 31, 2003

	2003	2002
Opening inventory	$ 2,023,511	$ 1,452,105
Add purchases	1,913,942	2,495,799
	3,937,453	3,947,904
Less consumption	2,351,053	1,924,393
Closing inventory	**$ 1,586,400**	**$ 2,023,511**

Schedule 17

Schedule of Road and Airport Equipment Reserve Fund
for the year ended March 31, 2003

	2003	2002
Charges for use of equipment	$ 8,784,531	$ 8,570,742
Operating expenditures	(7,749,152)	(7,673,742)
Net income from use of equipment	1,035,379	897,000
Proceeds on sale of equipment	100,180	153,421
Purchase of equipment	(751,834)	(1,814,296)
Increase (decrease) during the year	383,725	(763,875)
Balance at beginning of year	2,254,881	3,018,756
Balance at end of year	**$ 2,638,606**	**$ 2,254,881**

GOVERNMENT OF YUKON

Schedule 18

Schedule of Recycling Fund
for the year ended March 31, 2003

	2003	2002
Deposits and fees	$ 1,862,054	$ 1,692,150
Refunds and operating expenditures	(1,911,825)	(1,775,032)
Decrease during the year	(49,771)	(82,882)
Balance at beginning of year	335,156	418,038
Balance at end of year	**$ 285,385**	**$ 335,156**

Schedule 19

Schedule of Health Investment Fund
for the year ended March 31, 2003

	2003	2002
Appropriation	$ 292,000	$ 310,000
Expenditures	(141,400)	(198,567)
Increase during the year	150,600	111,433
Balance at beginning of year	190,758	79,325
Balance at end of year	**$ 341,358**	**$ 190,758**

GOVERNMENT OF YUKON

Schedule 20

Schedule of Vehicle Fleet Revolving Fund
for the year ended March 31, 2003

	2003	2002
Charges for vehicle rental		
Government departments	$ 2,069,736	$ 1,999,521
Territorial corporations	135,989	197,286
Operating expenditures	(1,406,333)	(1,293,164)
Net income from operations	799,392	903,643
Proceeds on sale of equipment	60,533	58,843
Purchase of vehicles	(965,078)	(831,000)
Increase (decrease) during the year	(105,153)	131,486
Balance at beginning of year	1,482,483	1,350,997
Balance at end of year	**$ 1,377,330**	**$ 1,482,483**

Schedule 21

Schedule of Property Management Revolving Fund
for the year ended March 31, 2003

	2003	2002
Appropriation	$ 12,383,312	$ 12,142,950
Charges for facilities management and leases		
Government departments	10,670,688	11,072,936
Territorial corporations	574,645	569,251
Other	247,348	258,055
Operating expenditures	(23,875,993)	(24,043,995)
Decrease during the year	-	(803)
Balance at beginning of year	249,197	250,000
Balance at end of year	**$ 249,197**	**$ 249,197**

GOVERNMENT OF YUKON

Schedule 22

Schedule of Queen's Printer Revolving Fund
for the year ended March 31, 2003

	2003	2002
Charges for printing		
Government departments	$ 580,250	$ 577,701
Territorial corporations	34,702	9,317
Operating expenditures	(589,154)	(552,421)
Net income from operations	25,798	34,597
Purchase of equipment	(87,511)	-
Increase (decrease) during the year	(61,713)	34,597
Balance at beginning of year	172,012	137,415
Balance at end of year	**$ 110,299**	**$ 172,012**

SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS

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YUKON HOUSING CORPORATION

FINANCIAL STATEMENTS

March 31, 2003

(audited)

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Yukon Housing Corporation

Management's Responsibility for Financial Statements

The financial statements contained in this annual report have been prepared by management in accordance with Canadian generally accepted accounting principles, and the integrity and objectivity of the data in these financial statements are management's responsibility.

In support of its responsibility, management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information, that assets are safeguarded and controlled and that transactions are in accordance with the *Financial Administration Act* as well as the *Housing Corporation Act* and the by-laws of the Corporation.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibility through the Financial Management Committee, which meets on a periodic basis with management and the independent external auditor to review the manner in which these groups are performing their responsibilities, and to discuss auditing, internal controls, and other relevant financial matters. The Financial Management Committee reviews the audited financial statements with the external auditor before making recommendations to the Board of Directors for their acceptance.

The Corporation's external auditor, the Auditor General of Canada, is responsible for auditing the financial statements and issuing a report which is included with the financial statements. The Auditor General of Canada provides her report to the Minister responsible for Yukon Housing Corporation.

Marc Tremblay
President

Elaine Carlyle, CGA
A/Director, Finance and Administration

August 8, 2003

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister responsible for the
Yukon Housing Corporation

I have audited the balance sheet of the Yukon Housing Corporation as at March 31, 2003 and the statements of equity, operations and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2003, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Housing Corporation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Corporation, the financial statements are in agreement therewith and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* and regulations, the *Housing Corporation Act* and the by-laws of the Corporation.

Roger Simpson, FCA
Principal
for the Auditor General of Canada

Edmonton, Canada
August 8, 2003

Yukon Housing Corporation
Balance Sheet
as at March 31, 2003

	2003	2002
	Thousands of dollars	
Assets		
Current		
Cash (Note 3)	$ 206	$ 236
Due from Canada Mortgage and Housing Corporation	279	279
Accounts receivable - other	928	530
Mortgages receivable - current portion (Note 4)	4,085	3,803
Housing held for sale (Note 5)	2,110	2,236
	7,608	7,084
Seniors' Housing Management Fund (Note 6)	979	646
Mortgages, agreements and loans receivable (Note 4)	45,562	43,720
Capital assets (Note 7)	30,707	31,734
	$ 84,856	$ 83,184
Liabilities		
Current		
Accounts payable	$ 1,450	$ 1,235
Due to Government of Yukon	2,662	109
Current portion of long-term debt (Note 8)	3,525	3,207
	7,637	4,551
Seniors' Housing Management Fund (Note 6)	979	646
Employee future benefits (Note 9)	650	693
Deferred revenue	497	523
Deferred capital funding from Government of Yukon (Note 10)	7,396	7,598
Long-term debt (Note 8)	46,039	47,678
	63,198	61,689
Equity		
Equity of Government of Yukon	21,658	21,495
	$ 84,856	$ 83,184

Approved by the Board of Directors

Director

Director

The accompanying notes and schedules are an integral part of these financial statements.

YUKON HOUSING CORPORATION

Yukon Housing Corporation
Statement of Equity of Government of Yukon
Year ended March 31, 2003

	2003	2002
	Thousands of dollars	
Balance at beginning of year	$ 21,495	$ 19,091
Funding advanced from Government of Yukon (Note 11)	163	2,404
Balance at end of year	$ 21,658	$ 21,495

The accompanying notes and schedules are an integral part of these financial statements.

Yukon Housing Corporation
Statement of Operations
Year ended March 31, 2003

	2003	2002
	Thousands of dollars	
Revenues		
Recoveries - Cost shared agreements	$ 4,499	$ 4,268
Rental income	3,112	3,296
Interest income	2,846	2,623
Recoveries - Prior year bad debts and other	164	342
	10,621	10,529
Expenses		
Program costs (Schedule)	4,314	5,048
Personnel	3,179	3,337
Interest on long-term debt	2,094	2,224
Amortization	1,606	1,658
Administration (Schedule)	722	668
Loss on sale of housing projects	1	33
	11,916	12,968
Net results of operations before government funding	(1,295)	(2,439)
Government of Yukon funding		
Operating grant	452	1,492
Amortization of deferred capital funding	843	947
	1,295	2,439
Net results of operations after government funding	$ -	$ -

The accompanying notes and schedules are an integral part of these financial statements

Yukon Housing Corporation
Statement of Cash Flows
Year ended March 31, 2003

	2003	2002
	Thousands of dollars	
Operating activities		
Net income from operations	$ -	$ -
Adjustment for non-cash items		
(Decrease) increase in employee future benefits	(43)	21
Decrease in deferred revenue	(26)	(68)
Amortization of capital assets	1,606	1,658
Amortization of deferred capital funding	(843)	(947)
Loss on sale of housing projects	1	33
	695	697
Changes in non-cash components of working capital	2,214	(1,065)
Cash flows from (used in) operating activities	2,909	(368)
Investing activities		
Additions to housing projects	(563)	(456)
Additions to computer systems, furnishings, equipment and office building	(78)	(54)
Proceeds from sale of housing projects	61	69
Additions to mortgages and agreements receivable	(4,049)	(7,513)
Repayments and reductions of mortgages and agreements receivable	5,698	6,143
Cash flows from (used in) investing activities	1,069	(1,811)
Financing activities		
Repayment of long-term debt - rental housing units and office building	(988)	(920)
Repayment and reduction of long-term debt - other	(3,824)	(3,759)
Long term debt advanced from Government of Yukon	-	3,000
Funding for the acquisition of capital assets	641	504
Funding from Government of Yukon (Note 11)	163	2,404
Cash flows (used in) from financing activities	(4,008)	1,229
Decrease in cash	(30)	(950)
Cash at beginning of year	236	1,186
Cash at end of year	$ 206	$ 236

Supplemental Disclosure of Cash Flows Information

	2003	2002
Interest paid	$ 2,107	$ 2,238
Interest received	2,807	2,687

The accompanying notes and schedules are an integral part of these financial statements.

1. Authority and mission

Yukon Housing Corporation (the "Corporation") was established in 1972 by the *Housing Corporation Act* of the Yukon Territory to undertake and assist in the provision, development, maintenance and management of

As reflected in the Corporation's Strategic Plan, the mission of the Corporation is to work in a fiscally responsible manner to resolve the housing needs of Yukoners and to strengthen the Yukon's economy through the housing sector by: helping the marketplace to work better; furthering the self-sufficiency of communities, industries and individuals; and assisting people where needed.

In carrying out its mission, the Corporation provides low rental housing which generates operating losses. The Corporation also provides loans for the purpose of housing. The Corporation is dependent on the Government of Yukon for funding its operations.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies follow:

(a) Grant provided by Government of Yukon

The *Housing Corporation Act* authorizes the Government of Yukon to pay the Corporation an operating grant equal to its operating deficit. The operating grant is reflected as a reduction to the net loss from operations, in the statement of operations. The portion of the funding used to purchase depreciable assets is recorded as deferred capital funding and amortized on the same basis and over the same periods as the related capital assets. Funding provided in excess of the operating grant is recorded as equity.

(b) Mortgages, agreements and loans receivable

Under the Home Repair Program, the Corporation may subsidize a debtor's repayment. These subsidies, reviewed annually, are based on the debtor's ability to pay. Mortgages receivable under the Home Repair Program are stated at estimated realizable value after providing allowances for payment subsidies.

Mortgages receivable under the Home Ownership Program are fully secured and are recorded at cost.

Mortgages receivable under the Rural and Native Housing Home Ownership Programs are stated at book value. Under the Social Housing Agreement (SHA) signed with Canada Mortgage and Housing Corporation (CMHC) in 1998, the Corporation may be required to subsidize a debtor's repayment of a Rural and Native Housing Home Ownership mortgage. CMHC annual cost-shared funding provided to the Corporation includes an amount for subsidies.

Based on historical loss experience, management considers it necessary to establish an allowance for impaired loans. Loans are classified as impaired when: (1) the Corporation no longer has reasonable assurance of timely collection of the full amount of principal and interest due or (2) payments are 90 days or more in arrears, except in those cases where, in the opinion of management, there is justification to continue to accrue interest. Where appropriate, an impaired loan allowance has been established to adjust the loan carrying value to the net realizable amount.

Land sales agreements, which pertain to loans receivable from lots sold to purchasers for residential, commercial and recreational purposes, are recorded at cost.

(c) Housing held for sale

The development of Mountain View Place, consisting of titled mobile housing lots, is valued at the lower of cost and net realizable value.

Housing held for sale includes houses repossessed under the Home Ownership Program and the Rural and Native Housing Home Ownership program. These houses are recorded at the lower of cost and net realizable value.

(d) Capital assets

Capital assets are valued at cost, net of contributions from outside agencies and accumulated amortization. Interest on loans during construction of capital assets is capitalized.

Social housing projects financed by long-term debt are amortized using the sinking fund method based on the principal repayment of the associated debt.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets (except social housing projects financed by long-term debt as noted above):

Social housing projects not financed by long term-debt	15 years
Staff housing projects and other facilities:	
Standard construction	35 years
Mobile home units	15 years
Office building	20 years
Other facilities	15 years
Furnishings and equipment	5 years
Computer systems	3 years

(e) Deferred revenue

Deferred revenue consists of funding received from Yukon Development Corporation to assist in funding a residential energy management initiative, and funding provided by Canada Mortgage and Housing Corporation (CMHC) under the Social Housing Agreement for future housing related projects and losses on interest and mortgage guarantees. Revenue for the energy management initiative is recognized as loan advances are given to clients, and CMHC funding will be recognized when housing related projects are undertaken or losses are incurred on the interest and mortgage guarantees.

(f) Employee future benefits

Employee future benefits - other non-pension benefit plans

Under the conditions of employment, employees of the Corporation may qualify for and earn employment benefits for vacation, sick, compensatory and personal leave travel bonus and severance benefits. The benefit obligation was determined on an actuarial basis. The obligation for vacation leave, sick leave, and severance benefits was calculated using the projected benefit method pro-rated on service. The remaining obligation was calculated assuming all employees would receive the benefits on valuation date.

(f) Employee future benefits (continued)

Pensions

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Corporation's contribution to the Plan reflects the full cost of the employer contributions. This amount is currently based on a multiple of the employees' required contributions, and may change from time to time depending on the experience of the plan. These contributions represent the total pension obligations of the Corporation and are charged to operations on a current basis. The Corporation is not currently required to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

(h) Management estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates are used when accounting for matters such as impaired loans, allowances for payment subsidies for Home Repair Loans, amortization, employee future benefits and contingencies.

(i) Recoveries - Cost shared agreements

Under the Social Housing Agreement signed with Canada Mortgage and Housing Corporation (CMHC) in 1998, the Corporation has entered into cost sharing agreements whereby operating deficits of certain housing projects are cost shared with CMHC. The Corporation has also entered into cost sharing agreements to share the operating deficits of certain housing projects with the City of Whitehorse.

3. Cash

The Corporation has, if needed, an operating demand overdraft facility with its banker that allows the Corporation to borrow up to $11,000,000 at bank prime. The bank prime rate at *year end* was 4.75% (2002 - 4.00%). The overdraft facility is guaranteed by Government of Yukon.

4. Mortgages, agreements and loans receivable

	Stated % interest rates	2003	2002
		Thousands of dollars	
Mortgages Receivable			
Home Ownership Loans with terms up to ten years, secured by registered charges against real property, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest and with maturities up to 2010. Rural and Native Home Ownership mortgages receiving subsidies (see Note 2 b) at March 31, 2003 were $2,076,000 (March 31, 2002 - $2,420,000).	4.56 - 8.50	$ 29,737	$ 27,885
Owner Build Loans with terms up to five years, secured by registered charges against real property, at fixed rates of interest ranging from 0% to the full Home Ownership mortgage rate with maturities up to 2008.	0 - 7.30	3,081	2,735
Repair & Upgrade Loans with terms up to thirteen years, secured by registered charges against real property or chattel mortgages, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest with maturities up to 2016. Mortgages receiving subsidies and forgiveness at March 31, 2003 were $2,433,000 (March 31, 2002 - $2,626,000)	1.00 - 8.25	9,177	9,623
Energy Management Loans with terms up to seven years, secured by registered charges against real property or chattel mortgages, repayable in blended monthly payments at fixed rates of interest with maturities up to 2010.	1.50 - 3.50	585	818
Joint Venture Loans with terms up to 20 years, secured by registered charges against real property or general security agreements, repayable in blended monthly payments at fixed rates of interest with maturities up to 2022.	2.25 - 6.75	1,673	1,442

	Stated % interest rates	2003	2002
		Thousands of dollars	
Subtotal mortgages receivable		44,253	42,503
Less: Allowances for payment subsidies for Home Repair loans		1,364	1,546
Less: Allowances for impaired loans		101	121
Total mortgages receivable		42,788	40,836
Land sales agreements receivable	4.75 - 8.50	2,475	2,242
Loans on residential, commercial and recreational lots, repayable in blended annual payments at fixed rates of interest with maturities up to 2008.			
Loan receivable - Government of Yukon	7.05	4,384	4,445
Repayable in blended monthly payments to the year 2028 at a fixed rate of interest.			
Total mortgages, agreements and loans receivable		49,647	47,523
Less: Current portion		4,085	3,803
		$ 45,562	$ 43,720

These investments earn interest at the following weighted average rates:

	2003	2002
Mortgages receivable	5.87%	6.57%
Land sales agreements receivable	5.95%	7.07%
Loan receivable - Government of Yukon	7.05%	7.05%

5. Housing held for sale

	2003	2002
	Thousands of dollars	
Mountain View Place	$ 1,816	$ 1,941
Other housing inventory	294	295
	$ 2,110	$ 2,236

6. Seniors' Housing Management Fund

The Seniors' Housing Management Fund was established under section 7 of the *Housing Corporation Act* to provide for the future housing needs of Yukon's seniors. The Government of Yukon approved the establishment of the Fund in October 2000.

The Fund receives Government of Yukon funding through an annual appropriation and an appropriation equal to interest revenue generated by the Corporation's Green Mortgage Program and interest revenue earned on monies held within the Fund. The Corporation has not yet secured Government of Yukon approval on the parameters for the operation of the fund; there have been no payments made out of the Fund.

Changes in the Seniors' Housing Management Fund are as follows:	2003	2002
	Thousands of dollars	
Balance at beginning of year	$ 646	$ 366
Government of Yukon annual appropriation	100	100
Government of Yukon appropriation equal to interest revenue earned on Green Mortgage Program	213	168
Interest revenue earned on monies held within the Fund	20	12
Balance at end of year	$ 979	$ 646

7. Capital assets

	2003			2002
	Thousands of dollars			
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Social housing	$ 32,944	$ 12,410	$ 20,534	$ 21,510
Staff housing	12,005	4,846	7 159	7,096
Office building	1,776	309	1,467	1,533
Land	1,384	-	1,384	1,386
Other facilities	759	686	73	108
Furnishings and equipment	167	118	49	58
Computer systems	915	874	41	43
	$ 49,950	$ 19,243	$ 30,707	$ 31,734

CMHC funding used to purchase capital assets is deducted from the cost of the asset. CMHC funding allocated to capital assets during 2003 was $250,000 (2002 - $250,000).

8. Long-term debt

	Stated % interest rates	2003	2002
		Thousands of dollars	
Mortgages Payable (guaranteed by the Government of Yukon)	5.05 - 12.50	$ 20,141	$ 20,799
Loans with a variety of terms, secured by fixed charges against housing projects, repayable in blended monthly payments at fixed rates of interest and with maturities up to 2029.			
CMHC Loans (guaranteed by the Government of Yukon)	5.00 - 13.25	4,563	4,724
Loans repayable in blended annual payments at fixed rates of interest to maturity, and with maturities up to 2028.			
Loans payable - Government of Yukon	0.00	21,887	22,643
Repayable without interest in periodic installments to 2028.			
Land sales agreements due to Government of Yukon	0.00	2,973	2,719
Repayable without interest in equal periodic installments to 2008.			
Total long-term debt		49,564	50,885
Less: Current portion		3,525	3,207
		$ 46,039	$ 47,678

The mortgages and loans payable bear interest at the following weighted average interest rates:

	2003	2002
Mortgages payable	8.40%	8.40%
CMHC loans	8.81%	8.82%

Principal repayments required over the next five years are as follows:

	CMHC Loans	Mortgages	Government of Yukon Loans	Land Sales Agreements	Total
		(Thousands of dollars)			
2004	$ 176	$ 714	$ 756	$ 1,879	$ 3,525
2005	192	778	756	468	2,194
2006	210	845	756	308	2,119
2007	230	919	756	188	2,093
2008	251	999	756	130	2,136

9. Employee future benefits

	2003	2002
	Thousands of dollars	
Other non-pension benefit plans		
Employee future benefits are a defined benefit plan and are not funded. The results are summarized as follows:		
Accrued benefit liability, beginning of year	$ 693	$ 672
Add: Annual benefit plan expense	214	86
Less: Benefits paid by Yukon Housing	(257)	(65)
Accrued benefit liability, end of year	$ 650	$ 693
Pensions		
During the year, the Public Service Superannuation Plan required the Corporation to contribute to the Public Service Superannuation Account at a rate of 2.14 times the employee contribution.		
Employer contribution	$ 285	$ 283
Employee contribution	125	129
Total contributions	$ 410	$ 412
The significant actuarial assumptions were:		
Discount rate	6.5%	6.5%
Salary escalation rate	3.0%	3.0%
Annual rate of inflation	3.0%	3.0%

10. Deferred capital funding from Government of Yukon

Deferred capital funding represents the unamortized portion of Government of Yukon funding used to purchase depreciable capital assets.

Changes in the deferred capital funding balance are as follows:	2003	2002
	Thousands of dollars	
Balance at beginning of year	$ 7,598	$ 8,041
Add funding used to purchase depreciable capital assets	641	504
Less amortization	(811)	(903)
Less unamortized funding on assets disposed of during the fiscal year charged to operations	(32)	(44)
Balance at end of year	$ 7,396	$ 7,598

11. Funding advanced from Government of Yukon

	2003	2002
	Thousands of dollars	
Cash advances from Government of Yukon	$ 3,555	$ 4,680
Operating grant	(452)	(1,492)
Funding used to purchase capital assets (Note 10)	(641)	(504)
Funding invested in Seniors' Housing Management Fund	(333)	(280)
Cash advances refunded to Government of Yukon	(1,966)	-
Funding advanced from Government of Yukon	$ 163	$ 2,404

12. Financial instruments

The fair values of the financial instruments were determined using the present value of future cash flows discounted at the March 31, 2003 average market rate for mortgages and loans with similar maturities.

The balances in Due from Canada Mortgage and Housing Corporation, Accounts receivable - other, Accounts payable and Due to Government of Yukon are non-interest bearing and have fair values that approximate their carrying amount due to their short term to maturity.

The carrying amount and estimated fair values of the financial instruments are as follows:

	2003		2002	
	Thousands of dollars			
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term investments				
Mortgages receivable net of allowances for payment subsidies on Home Repair loans and loan impairments	$ 42,788	$ 42,446	$ 40,836	$ 39,874
Land sales agreements receivable	2,475	2,257	2,242	1,974
Loan receivable - Government of Yukon	4,384	4,070	4,445	3,682
	$ 49,647	$ 48,773	$ 47,523	$ 45,530
Long-term debt				
Mortgages payable	$ 20,141	$ 20,149	$ 20,799	$ 20,484
CMHC loans	4,563	4,864	4,724	4,932
Loans payable - Government of Yukon	21,887	8,534	22,643	9,269
Land sales agreements due to Government of Yukon	2,973	2,730	2,719	2,420
	$ 49,564	$ 36,277	$ 50,885	$ 37,105

These financial instruments do not have active markets. The fair value of these instruments may not reflect realizable amounts.

The balances in Due from Canada Mortgage and Housing Corporation, Accounts receivable - other, Accounts payable and Due to Government of Yukon are the result of transactions incurred in the normal course of business and have no significant credit risks.

13. Related party transactions

The Corporation is related in terms of common ownership to all Government of Yukon departments, corporations and agencies. In addition to those related party transactions, disclosed elsewhere in these financial statements, the Corporation enters into transactions with related entities in the normal course of business.

14. Commitments and contingencies

	2003	2002
	Thousands of dollars	
Outstanding contractual obligations to complete the funding of mortgages receivable as at March 31.	$ 1,563	$ 1,024
Subsidies to private social housing organizations	873	930

15. Mortgage guarantees

The cost of house construction often exceeds the market value of that house in Yukon communities. Canada Mortgage and Housing Corporation provides mortgage insurance for up to 95% of the market value of a new home. Under the Extended Mortgage Guarantee Program, the Corporation will insure for up to 95% of the cost of a new house, therefore enabling rural Yukon residents to have access to insured mortgage financing.

The contingent liability for mortgage guarantees under this program as at March 31, 2003 is $242,000 (2002 - $252,000).

16. Government of Yukon transfer payments

The following table reconciles funding provided by the Government of Yukon as shown in these financial statements to that recorded by the Government in its Public Accounts.

	2003	2002
	Thousands of dollars	
Net results of operations before government funding	$ 1,295	$ 2,439
Less recovery - Mountain View Place inventory valuation allowance	21	-
Less amortization	(1,606)	(1,658)
Less Program costs - Other		
Home Repair mortgage provision for payment subsidies expense	(143)	(320)
Housing project improvements	(1)	(18)
Add Seniors' Housing Management Fund investment - Government of Yukon appropriation (equal to interest earned on Green Mortgage Program and monies held within the fund)	233	180
Government of Yukon - Operations and maintenance (repayment) transfer payment	$ (201)	$ 623
Add recovery - Mountain View Place inventory valuation allowance	(21)	-
Program costs - Other		
Home Repair mortgage provision for payment subsidies expense	143	320
Housing project improvements	1	18
Add Seniors' Housing Management Fund investment - Government of Yukon appropriation	100	100
Add funding provided to repay principal portion of long term debt	988	920
Add funding provided to purchase depreciable capital assets (Note 11)	641	504
Add funding provided to purchase non-depreciable capital assets	-	7
Less funding refunded for net book value of assets disposed	(62)	(104)
Less funding refunded for prior year repayment of principal portion of long term debt	-	(68)
Government of Yukon - Capital transfer payment	$ 1,790	$ 1,697

Yukon Housing Corporation

Yukon Housing Corporation
Schedule of Program Costs and Administration Expenses
Year ended March 31, 2003

	2003	2002
	Thousands of dollars	
Program costs		
Housing operations		
General maintenance	$ 1,274	$ 1,055
Utilities	1,115	1,129
Property taxes	491	481
Subsidies - Private social housing organizations	473	837
Direct lending program administration	418	589
Garbage collection and janitorial	151	156
Property rentals	150	182
Housing program administration	92	84
Insurance	64	44
Bad debts (recoveries) - housing operations including rental tenants	(58)	153
	4,170	4,710
Other		
Home Repair mortgage provision for payment subsidies expense	143	320
Housing project improvements	1	18
	144	338
	$ 4,314	$ 5,048

	2003	2002
Administration expenses		
Rentals - office and equipment	$ 211	$ 206
Computer services	152	119
Travel and transportation	101	121
Communications	75	79
Professional fees	59	54
Office and sundry	51	46
Program promotion	45	12
Boards and committees	28	31
	$ 722	$ 668

Yukon Housing Corporation
Schedule of Bad Debt Write-offs
for the year ended March 31, 2003

Tenant Receivables Written Off			Invoice Date
Ollenberger, R.	$	551	1996
Ellis, R.		958	1997
McKim, S.		543	1997
Nichols, T.		883	1997
Porter, L.		582	1997
Robinson, J.		735	1997
Russell, R. & Devillier, C.		998	1997
Abel, C. & Sugden, C.		704	1999
Belcher, W.		968	1999
Berger, J.		650	1999
Cahoon, C.		903	1999
Cornell, S.		724	1999
Dillon, C.		798	1999
Hume, M.		636	1999
Lilley, D.		741	1999
Moonen, K. & J.		734	1999
Nicloux, K.		677	1999
Paguio, A.		540	1999
Farr, P.		567	2000
Risby, P.		684	2000
Senft, C.		714	2000
Taylor, S. & C.		934	2000
Ayles, K.		568	2001
Kole, P.		556	2001
Tooke, A.		929	2001
Total tenant accounts over $500 written off	$	18,277	
Other tenant accounts less than $500		8,465	
Total tenant accounts written off	$	26,742	
Miscellaneous receivables written off - Brierley, K. & D.		745	1999
Total accounts written off	$	27,487	

Total accounts written off in the year ended March 31, 2002 $36,799.

The Corporation is disclosing bad debts written off as required by subsection 14(4) of the *Financial Administration Act*.

YUKON DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

December 31, 2002

(audited)

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Yukon
Development
Corporation

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Yukon Development Corporation are the responsibility of management. And have been prepared in accordance with Canadian generally accepted accounting principles consistently applied and appropriate in the circumstances. The preparation of financial statements necessarily involves the use of estimates and approximations, which have been made using careful judgement. In management's opinion, the consolidated financial statements have been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the consolidated financial statements.

Management maintains systems of internal controls designed to provide reasonable assurance that assets are safeguarded and that reliable financial information is available on a timely basis. These systems include formal written policies and procedures, the careful selection and training of qualified personnel, and an organizational structure that provides for the appropriate delegation of authority and segregation of responsibilities.

The financial statements have been examined by an independent external auditor. The external auditor's responsibility is to express an opinion on whether the consolidated financial statements, in all material respects, fairly present the Corporation's financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles. In addition, the external auditor reports on whether proper books of account have been kept by the Corporation, the consolidated financial statements are in agreement therewith, and transactions, in all significant respects, are in accordance with the *Financial Administration Act* as applicable, the *Yukon Development Corporation Act* and the bylaws of the Corporation. The Auditor's Report, which follows, outlines the scope of this examination and the auditor's opinion.

The Corporation's Board of Directors, through its Audit and Finance Committee, oversees management's responsibilities for financial reporting. The Audit and Finance Committee meets with management and the independent external auditor to discuss auditing and financial matters, to gain assurance that management is carrying out its responsibilities and to review and approve the consolidated financial statements. The auditor has full and free access to the Audit and Finance Committee, with and without the presence of management.

Collin Young

Duncan Sinclair
Chief Executive Officer

Collin Young
Chief Financial Officer

Whitehorse, Yukon
May 2, 2003

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

The Honourable Archie Lang
Minister Responsible for the Yukon Development Corporation

I have audited the consolidated balance sheet of the Yukon Development Corporation as at December 31, 2002 and the consolidated statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Yukon Development Corporation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Corporation and by its wholly-owned subsidiaries and the consolidated financial statements are in agreement therewith and the transactions of the Corporation and of its wholly-owned subsidiaries that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* and regulations, the *Yukon Development Corporation Act* and the bylaws of the Corporation.

Ronald C. Thompson, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 2, 2003

YUKON DEVELOPMENT CORPORATION
CONSOLIDATED BALANCE SHEET

(in thousands of dollars)

As at December 31, 2002	2002	2001
Assets		
Current assets		
Cash and cash equivalents (note 3)	$ 7,895	$ 25,867
Accounts receivable (note 4)	4,695	7,006
Inventories	2,360	2,272
Prepaid expenses	715	452
Current portion of investments (note 5)	298	254
	15,963	35,851
Long-term receivables		
Mortgages receivable	33	39
	33	39
Capital assets (note 7)	153,602	131,369
Deferred charges (note 8)	6,745	4,777
Investments (note 5)	3,810	4,082
Reserve for uninsured losses (note 9)	346	291
Funds held in trust (note 6)	4,111	1,405
Rate stabilization fund (note 10)	2,356	2,663
Diesel Contingency Fund (note 11)	734	682
	$ 187,700	$ 181,159
Liabilities		
Current liabilities		
Accounts payable	$ 6,852	$ 2,881
Current portion of long-term debt (note 12)	1,052	972
Interest payable	14	15
Regulatory liabilities (note 13)	2,169	1,804
	10,087	5,672
Long-term debt (note 12)	42,439	43,416
Deferred revenues (note 14)	14,241	15,371
Reserve for future removal and site restoration costs	4,875	5,041
Rate stabilization fund (note 10)	2,356	2,663
Diesel Contingency Fund (note 11)	734	682
	74,732	72,845
Equity		
Contributed capital	41,501	41,501
Retained earnings	71,467	66,813
	112,968	108,314
	$ 187,700	$ 181,159

Contingencies and commitments (note 16)

The accompanying notes are an integral part of the financial statements

Approved by the Board:

Chair

Fredrick Blanchard

Director

YUKON DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

(In thousands of dollars)

For the year ended December 31, 2002	2002	2001
Revenue		
Sales of power	$ 23,786	$ 22,242
Contributions - Yukon	808	141
Finance income	529	559
Interest income	456	1,141
Other	386	571
Contributions - Canada	237	289
	26,202	24,943
Operating expenses		
Board, corporate stewardship and administration	7,006	5,785
Amortization of capital assets	5,442	5,194
Operations and maintenance	5,288	5,208
Interest on long-term debt	1,227	1,765
Energy sector development	946	335
Energy market transformation	928	446
Amortization of deferred charges	478	452
Corporate, environmental and First Nation initiatives	183	141
Provision for uninsured losses	50	50
	21,548	19,376
Net income	4,654	5,567
Retained earnings, beginning of year	66,813	61,246
Retained earnings, end of year	$ 71,467	$ 66,813

The accompanying notes are an integral part of the financial statements.

YUKON DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of dollars)

For the year ended December 31, 2002	2002	2001
Cash flows from operating activities		
Cash receipts from customers	$ 26,401	$ 27,884
Cash paid to employees and suppliers	(10,417)	(12,016)
Interest paid	(1,227)	(1,765)
Interest received	982	1,700
	15,739	15,803
Cash flows from investing activities:		
Acquisitions of capital assets	(28,608)	(11,165)
Long-term investments	234	322
Funds held in trust	(2,661)	(1,450)
Deferred charges	(1,779)	(1,032)
	(32,814)	(13,325)
Cash flows from financing activities		
Repayment of long-term debt	(897)	(845)
	(897)	(845)
(Decrease) increase in cash position	(17,972)	1,633
Cash position, beginning of year	25,867	24,234
Cash position, end of year	$ 7,895	$ 25,867
Represented by:		
Cash and short-term investments	3,820	21,424
Restricted funds	4,075	4,443
	7,895	25,867

The accompanying notes are an integral part of the financial statements

1. *Authority, objectives and operations*

Yukon Development Corporation (the Corporation) was established under the *Yukon Development Corporation Act* to participate with the private sector in the economic development of the Yukon, to make strategic investments to benefit the territory and to acquire and operate the assets of Northern Canada Power Commission (NCPC) in the Yukon.

In 1993, the Corporation's mandate was changed to restrict its new initiatives to energy-related activities designed to promote the economic development of the Yukon.

The Corporation's wholly owned subsidiaries, Yukon Energy Corporation and Energy Solutions Centre Inc., were incorporated under the Yukon *Business Corporations Act*. Yukon Energy Corporation generates, transmits, distributes and sells electrical energy in the Yukon and is regulated by the Yukon Utilities Board. The mandate of Energy Solutions Centre Inc. is to engage Yukoners in the challenge and potential of energy efficiency and green power as solutions to climate change by mobilizing individuals, businesses, communities and First Nations to implement projects that will reduce greenhouse gas emissions in the Yukon.

Yukon Energy Corporation and Energy Solutions Centre Inc. are exempt from the *Financial Administration Act* (Yukon).

2. *Significant accounting policies*

Financial statement presentation

The consolidated financial statements of Yukon Development Corporation have been prepared by management and conform to Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of Yukon Development Corporation and its wholly owned subsidiaries, Yukon Energy Corporation and Energy Solutions Centre Inc. The consolidated financial statements reflect Canadian generally accepted accounting principles and practices of regulatory bodies. All significant inter-company transactions and balances have been eliminated on consolidation. The regulatory accounting practices adopted by Yukon Energy Corporation may differ from the accounting practices otherwise applied in unregulated enterprises. In particular, the timing of Yukon Energy Corporation's recognition of certain assets, liabilities, revenues and expenses as a result of regulation may differ from that otherwise expected using generally accepted accounting principles for a non-regulated entity.

Water regulation

The Yukon Territory Water Board decides if Yukon Energy Corporation will have water licences for the purposes of operating dams for hydro generation and the duration of the licenses. The licenses will indicate terms and conditions for the operation of the hydro dams.

Rate regulation

Yukon Energy Corporation is regulated by both the Yukon Territory Water Board, pursuant to the *Yukon Waters Act* (Canada) and the Yukon Utilities Board, pursuant to the *Public Utilities Act* (Yukon). The regulatory process begins when Yukon Energy Corporation makes a General Rate Application for its proposed electricity rate changes over the next one or two forecast years. The Yukon Utilities Board ("YUB") must ensure that its decision, which fixes electricity rates, complies with all relevant legislation including the *Public Utilities Act* and directives issued by the Yukon Government through Orders-In-Council that specify how the interests of the customer and the utility are to be balanced.

The YUB follows a two-stage decision process. In the first stage, the total costs that the utility will incur by making electricity available to its customers over the immediate future are approved. The

2. Significant accounting policies (continued)

approval of these costs determines the total revenues the utility is allowed to collect from its customers. It is the responsibility of the YUB to examine the legitimacy of three classes of costs:

- The costs to the utility to run its operations and maintain its equipment - (personnel and materials);
- The cost associated with the amortization of all capital equipment;
- The return on rate base (the costs related to borrowing that portion of rate base which is financed with debt, and the costs to provide a reasonable rate of return on that portion of rate base which is financed with equity).

In the second stage, the YUB approves how the revenue will be raised. This stage determines the electricity rates for the various customer classes in the Yukon: residential, government, commercial and industrial. This process is guided by a cost of service study, which allocates utility costs to the various customer classes on the basis of appropriate costing principles. The determination of rates is also affected by Orders-In-Council issued by the Yukon Cabinet, which give specific government direction to the Board.

Normally, Yukon Energy Corporation applies for rates in advance of the applicable years. A hearing will take place and rates are approved as final as a result. Interim hearings and interim rates may be used to deal with unforeseen circumstances.

Inventories
Inventories, consisting of materials, supplies and diesel fuel are recorded at the lower of average cost or replacement value.

Capital assets
Capital assets are stated at cost. Cost of self-constructed assets includes materials, direct and indirect labour, an appropriate allocation of administrative overhead and finance charges capitalized during construction, less accumulated amortization. Amortization is based on the straight-line method over the estimated economic life of the assets as follows:

Generation	
Hydro-electric plants	40 to 65 years
Diesel plants	15 to 25 years
Transmission	25 to 35 years
Distribution	20 to 30 years
Buildings	20 to 30 years
Financial information system	5 to 10 Years
Transportation	8 to 14 years
Other equipment	5 to 15 years

Yukon Energy Corporation capitalizes development studies and an allowance for funds used during construction ("AFUDC") at a rate approved by the Yukon Utilities Board for debt and equity funds.

Certain additions are made with the assistance of cash contributions where the estimated revenue is less than the cost of providing service or where special equipment is needed to meet customers' specific requirements. These contributions are amortized to income on the same basis as the asset to which they relate and are offset against the amortization charge. Capital assets are disclosed net of unamortized contributions. Upon retirement or disposal, any gain or loss is charged to income in the current year for assets depreciated on an individual basis, or charged to accumulated depreciation for assets depreciated on a pooled basis.

2. Significant accounting policies (continued)

Deferred charges
Deferred charges are recorded at cost less accumulated amortization.

Costs related to water license renewals are deferred and amortized to earnings on a straight-line basis over the term of the existing license plus the expected term of the renewed license, which is generally a long-term arrangement of 25 years.

Planning and study costs related to research projects and operations are expensed as incurred. Costs related to potential capital development projects, which are abandoned are amortized to earnings on a straight-line basis over five years starting in the year that the project is abandoned.

General equipment overhaul expenditures in excess of $250,000 are deferred and amortized to earnings on a straight-line basis over five years.

Other deferred charges are amortized to earnings on a straight-line basis over various terms approved by the Yukon Utilities Board.

Investments
The Corporation's investments are recorded at the lower of cost or net realizable value.

Reserve for uninsured losses
Yukon Energy Corporation maintains a reserve for uninsured losses. An appropriation to the reserve of $50,000 is made annually as a charge to expenses. Uninsured losses are charged directly against the reserve.

Reserve for future removal and site restoration cost
The reserve is calculated based on the estimated cost of demolishing, dismantling, tearing down, or otherwise disposing of the asset, net of expected recoveries. These estimated costs are being provided for over the estimated useful life of the asset on a straight-line basis.

Revenue recognition
Revenue from the sale of power is recognized when electricity is delivered.

Contribution – Canada
Revenue from contribution agreements with Canada is recognized on the accrual basis, when the services are performed.

Contribution – Yukon
In 1999, the Yukon Government contributed funds to the corporation, as part of the government's commitment to sustainable energy development. The contributions have been recorded as deferred revenue. Revenue is recognized when eligible expenses are incurred.

Use of estimates
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. This mainly affects revenue, accounts receivable, the reserve for future removal and site restoration costs and long-term receivables. Actual results may differ from the estimates.

2. Significant accounting policies (continued)

Financial Instruments

The Corporation's consolidated financial instruments consist of accounts receivable, investments, long-term receivables and accounts payable, interest payable and long-term debt. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

3. Cash and cash equivalents

	2002	2001
Bank balance	$ 2,393	$ 11,306
Short-term investments	4,340	10,118
Restricted funds	4,075	4,443
Bank indebtedness	(2,913)	-
	$ 7,895	$ 25,867

Short-term investments and restricted funds are monies invested in a pooled money market fund. The fixed-term securities held in the fund have an average maturity less than 90 days. Earnings are distributed monthly on a pro-rata share of the total fund. Annual return on investment for 2002 was 2.96% (2001 – 2.64%).

Yukon Energy Corporation has a demand line of credit facility with TD Canada Trust for up to $10,000,000 at bank prime. The Yukon Government guarantees the overdraft facility. At year end the Yukon Energy Corporation borrowed $1,100,000 on the credit facility.

4. Accounts receivable

	2002	2001
Retail energy sales	$ 2,598	$ 2,235
Wholesale energy sales	1,704	1,809
Other	254	587
Rate adjustment receivable	124	1,144
Fire insurance claim	15	1,231
	$ 4,695	$ 7,006

Accounts receivable includes $2,528,000 (2001 - $2,446,000) due from the Yukon Electrical Company Limited. Yukon Energy Corporation's sales to the Yukon Electrical Company Limited were $ 15,288,000 (2001 - $14,981,000) but, due to the wholesale nature of the sales, Yukon Energy Corporation is not economically dependent on it.

5. Investments

The Corporation's investments are summarized as follows:

	2002	2001
Direct financing lease	$ 4,082	$ 4,336
Leases receivable, net of deferred finance income	26	-
	4,108	4,336
Less: current portion	298	254
	$ 3,810	$ 4,082

In 1990, the Corporation acquired the building known as Old Yukon College from the Yukon Government for a nominal fee. The building was renovated and is being leased back to the Government for a period of 20 years. At the end of the lease term, in 2011, the Government may purchase the building from the Corporation for a nominal fee. Interest from the lease is recognized as finance income.

6. Funds held in trust

	2002	2001
Construction contract holdbacks	$ 3,479	$ 789
Energy infrastructure investment	632	616
	$ 4,111	$ 1,405

Construction contract holdbacks represent holdbacks from payments made to the general contractor on the Mayo to Dawson transmission line project. These will be held by Yukon Energy Corporation pending satisfactory completion of the project, at which time the monies will be released.

Energy infrastructure investment represents monies held by Yukon Development Corporation on behalf of a Yukon First Nation for investment in energy infrastructure. The ultimate use of these funds is subject to the finalization of investment agreements.

An offsetting liability is recorded in accounts payable and is equal to the balance of Funds held in trust.

7. Capital assets

			2002	2001
	Cost	Accumulated amortization	Net book value	Net book value
Hydro-electric and diesel plants	$ 129,302	$ 35,430	$ 93,872	$ 91,842
Transmission	19,808	6,974	12,834	13,065
Distribution	10,771	3,787	6,984	7,122
Buildings and other equipment	13,580	4,131	9,449	8,840
Financial information system	1,306	550	756	951
Transportation	1,276	278	998	1,019
Land	676	-	676	110
Construction-in-progress	30,426	-	30,426	10,522
	207,145	**51,150**	**155,995**	133,471
Less: Contributions for plant extensions	3,465	1,072	2,393	2,102
	$ 203,680	**$ 50,078**	**$ 153,602**	$ 131,369

The above amounts exclude the costs of assets which were damaged and destroyed in the October 30,1997 fire at the Whitehorse Rapids Generating Facility. The costs of the assets used to reconstruct the facility equaled $13,395,000 and are included in the above capital assets. $11,604,000 representing the insurance proceeds received to cover the cost of reconstruction is recorded as deferred revenue (see note 14). The difference of $1,791,000 (2001 - $1,791,000), represents the value of betterments, which improved the facility beyond the value replaced by the insurance proceeds.

8. Deferred charges

		2002		2001
	Cost	Accumulated amortization	Net book value	Net book value
Relicensing	$ 6,830	$ 1,094	$ 5,736	$ 3,947
Feasibility Studies	637	115	522	291
Downsizing Costs	320	72	248	272
Generating equipment overhauls	348	278	70	139
Dam Safety Review	92	55	37	55
Diesel fuel price adjustment	132	-	132	73
	$ 8,359	**$ 1,614**	**$ 6,745**	**$ 4,777**

Deferred charges have been deferred and amortized in accordance with decisions of the Yukon Utilities Board.

Yukon Energy Corporation is authorized by Order-In-Council 1995/90 to adjust its electrical rates to reflect fluctuations in the price of diesel fuel without the requirement for specific application to and approval of the Yukon Utilities Board. Fluctuations in diesel fuel expense are deferred and amortized over future designated periods prescribed by the YUB, through revised rates charged to customers.

9. Reserve for uninsured losses

	2002	2001
Balance, beginning of year	$ 291	$ 316
Provision	(50)	(50)
Losses incurred		
Weather related	72	-
Asset replacement	33	-
Forest fire	-	25
Balance, end of year	$ 346	$ 291

Yukon Energy Corporation's target balance for the reserve for uninsured losses is based on Yukon Energy Corporation's past experience. Yukon Energy Corporation will be applying to the Yukon Utilities Board for approval to increase the reserve.

10. Rate stabilization fund

The Rate Stabilization Fund was created in 1999 with a $10,000,000 contribution from the Government of Yukon, with a mandate to support stable and affordable electrical rates to March 31, 2002. The goal of the Rate Stabilization Fund is to protect all non-government residential, general service (commercial) and municipal ratepayers by minimizing the impact of rate increases over this period.

On October 17, 2001, the Yukon Government announced the continuation of the Rate Stabilization Fund until 2005 with Yukon Development Corporation required by OIC 2001/147 to contribute up to $7,800,000 of internally generated funds before April 1, 2004.

	2002	2001
Balance, beginning of year	$ 2,663	$ 6,054
Capital contribution	3,000	-
Interest	84	218
Payments	(3,391)	(3,609)
Balance, end of year	$ 2,356	$ 2,663

11. Diesel Contingency Fund

	2002	2001
Opening Balance	$ 682	$ (61)
Interest	52	(1)
Whitehorse Rapids Generating Facility fire adjustment	-	744
Closing Balance	$ 734	$ 682

The Yukon Utilities Board established the Diesel Contingency Fund with Board Order 1996-6. The Fund is administered by Yukon Energy Corporation on behalf of the Yukon Utilities Board, and as such is recorded as a trust asset and a trust liability.

The Whitehorse Rapids Generating Facility fire adjustment is the Corporation's calculation of the impact of the October 1997 fire to the Diesel Contingency Fund in 1999.

12. Long-term debt

The Corporation's long-term debt is summarized as follows:

	2002	2001
Government of Canada		
$40,000,000 flexible term note bearing interest at 7% repayable in annual principal instalments of $1,000,000 plus interest, with the balance due January 1, 2028	$ 29,057	$ 29,302
Great West Life		
$5,750,000 mortgage bearing interest at 11.5%, repayable in monthly instalments of $60,000 interest and principal with the final payment due July 2011	4,084	4,332
TD Canada Trust		
$12,400,000 term note bearing interest at 7.94% payable in monthly instalments of $102,000 interest and principal, with the balance of $67,000 due October 31, 2016. The note is guaranteed by the Yukon Government.	10,350	10,754
	43,491	44,388
Less: Current portion	1,052	972
	$ 42,439	$ 43,416

Government of Canada note

The proceeds of the Government of Canada flexible term note were part of the consideration used in 1987 to acquire the assets of Northern Canada Power Commission. The note is collateralized by a mortgage against the acquired assets. The terms of the flexible term note provide for payments of principal and interest to be deferred and abated respectively, if power sales on the Whitehorse-Aishihik-Faro electrical power distribution system are less than specified amounts.

Mortgage payable

The mortgage is secured by land and buildings described in note 7.

Long-term debt repayment

Scheduled long-term debt repayments for the next five years is as follows:

2003	$ 1,052
2004	1,100
2005	1,180
2006	1,268
2007	1,365

Fair value

Fair value of $44,835,000 (2001 - $46,945,000) for all long-term debt was estimated using discounted cash-flow analysis based on an estimate of the Corporation's current borrowing rate for similar borrowing arrangements.

13. Regulatory liabilities

	2002	2001
Insurance proceeds held on behalf of ratepayers	$ 744	$ 744
Anvil Range Mine dewater revenue	1,425	1,060
	$ 2,169	$ 1,804

The insurance proceeds held on behalf of ratepayers amount represents the residual balance of insurance proceeds after allocation against all known fire-related reconstruction and operation and maintenance costs. The Corporation is required to use the balance of the insurance proceeds to the benefit of ratepayers. The allocation of this amount is subject to the Yukon Utilities Board approval.

Anvil Range Mine dewater revenue derives from Rate Schedule 34 customers, of which the Anvil Range Mine represents the only customer in the class. As directed by the Yukon Utilities Board in Board Order 1998-5, the Corporation is deferring revenues collected from this rate class until application to the benefit of customers is directed by the Yukon Utilities Board.

14. Deferred revenues

	2002	2001
Deferred gain on fire insurance proceeds - capital assets (net of amortization and adjustments $3,088 (2001 - $2,698))	$ 8,516	$ 8,906
Sustainable energy development funds	5,725	6,465
	$ 14,241	$ 15,371

The deferred gain on fire insurance proceeds - capital assets represents the gain resulting from insurance proceeds received in relation to the reconstruction of facilities ($11,604,000 - see notes 7 and 13) in excess of net book value of assets destroyed by fire. The gain is being amortized to income at the same rate that the replacement assets are being amortized, as approved by the Yukon Utilities Board Order 2000-3 (see note 7).

In 1999 the Yukon Government provided $6,000,000 towards sustainable energy in the Yukon. Two 10-year programs were established totaling $4,000,000 for green power and energy conservation and efficiency initiatives. $2,000,000 was provided for a wind turbine that was built in 2000. Interest earned on these funds is recorded as deferred revenue.

15. Pension costs and obligations

Yukon Energy Corporation has a defined benefit pension plan, which provides pensions based on length of service and final average earnings. The cost of pension benefits is determined using the projected benefits method, prorated on service, and reflects management's best estimates of investment returns, wage and salary increases, and age at retirement. Adjustments resulting from the plan enhancements, experience gains or losses, and changes in assumptions are amortized over the estimated average remaining service life of employees. Pension costs include the current cost of service and amortization of past service benefits and plan enhancements, and experience gains and losses. Amortization is on a straight-line basis over the expected average remaining service life of pension plan members, which is currently 16 years.

15. Pension costs and obligations (continued)

Yukon Energy Corporation has contracted with external organizations to provide services of trustee, administrator and investment manager for the pension plan.

An actuarial valuation for funding purposes was performed as of January 1, 2001 by the consulting actuarial firm Aon Consulting Inc. The results of the January 1, 2001 valuation have been projected to December 31, 2002 in accordance with generally accepted actuarial standards. The actuarial valuation includes services rendered by members under the Yukon Energy Corporation Employees Pension Plan from January 1, 1998 to December 31, 2002 and service credits in respect of pre-1998 service transferred to the Yukon Energy Corporation Employees Pension Plan from the Canadian Utilities Employees Pension Plan under the Acknowledgement and Agreement between Yukon Energy Corporation and the Yukon Electrical Company Ltd., dated February 5, 1999.

The fair value of plan assets is based on market values as reported by Royal Trust as at December 31, 2002

The following table sets out the assumptions and pension amounts as at December 31, 2002. Yukon Energy Corporation's employees had the option to belong to the Corporation's defined benefit pension plan or a Registered Retirement Savings Plan (RRSP). Employees joining Yukon Energy Corporation after January 1, 2002 can only join the RRSP. As at December 31, 2002 the Corporation's defined pension plan had 42 members, and the RRSP had 24 members.

Pension benefits are based on:

- years of pensionable service,
- the average annual earnings during any 5 consecutive years of pensionable service where earnings are the highest, and
- the average of the years maximum pensionable earnings (Canada Pension Plan) for the same 5-year period.

Annual cost of living increases to a maximum of 3.00% are provided to pensioners. Yukon Energy Corporation contributes amounts as prescribed by an independent actuary.

Employees make contributions to the plan as follows:

- 3.5% of earnings up to the years maximum pensionable earnings
- 5.0% of earnings in excess of years maximum pensionable earnings
  to a maximum of $2,500 per year.

Information on Yukon Energy Corporation's defined benefit plan as at December 31, in aggregate, is as follows:

15. Pension costs and obligations (continued)

	2002	2001
Discount rate	**6.50%**	6.50%
Expected long-term rate of return on plan assets	**7.00%**	7.00%
Assumed rate of salary escalation	**3.75%**	3.75%
Expected average remaining service life of employees	**16 years**	18 years
Benefit obligation determined by actuarial valuation	**$ 5,516**	$ 4,862
Fair value of plan assets	**4,018**	4,183
Plan deficit	**(1,498)**	(679)
Accrued benefit liability	**(223)**	(95)
Pension expense	**335**	268
Employer contributions	**207**	208
Employee contributions	**89**	79
Benefits paid	**(64)**	(206)

The Accrued benefit liability has been recorded on Yukon Energy Corporation's books of account and is included in Accounts payable on the balance sheet at December 31, 2002.

16. Contingencies and commitments

(a) As of December 31, 2002, the general contractor for the Mayo to Dawson City transmission line project has outstanding claims against Yukon Energy Corporation for work completed prior to December 31, 2002. Yukon Energy Corporation has outstanding claims against the general contractor. The amount and likelihood of settlement are not determinable.

(b) The Yukon Government issued OIC 2002/75 on March 27, 2002, directing Yukon Development Corporation to pay all costs incurred by the Yukon Utilities Board to conduct a utility franchise application review process with respect to a proposed gas distribution system within the City of Whitehorse. The amount of costs Yukon Development Corporation will ultimately pay is not determinable at this time.

(c) As described in note 11, the terms of the flexible term note with the Government of Canada provide for payments of principal and interest to be deferred and abated respectively, if particular power sales are less than specified amounts. The Corporation and the Government of Canada disagree on the definition of these power sales and the Corporation is making payments based on its interpretation of the note.

17. Environmental liabilities

The Corporation's activities are subject to various federal and territorial laws and regulations governing the protection of the environment or to minimize any adverse impact thereon. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. Liabilities will be recorded when the occurrence of an environmental expenditure, related to present or past activities of the Corporation, is considered probable and the costs can be reasonably estimated. To date, no such specific liabilities have been recorded in the Corporation's accounts.

18. Comparative figures

Certain 2001 figures, which are presented for comparative purposes, have been restated to conform to the current year's presentation.

19. Non-consolidated financial information

The nature and size of operations of the corporation and its subsidiaries, Yukon Energy Corporation and Energy Solutions Centre Inc., differ substantially. Audited financial statements of Yukon Energy Corporation and Energy Solutions Centre Inc. for the year ended December 31, 2002 are also prepared. Certain non-consolidated unaudited financial information of Yukon Development Corporation is provided for interested parties.

YUKON DEVELOPMENT CORPORATION

Schedule 1

NON-CONSOLIDATED BALANCE SHEET

(unaudited)

As at December 31, 2002

(in thousands of dollars)

	2002	2001
Assets		
Current assets		
Cash and short-term investments	$ 10,807	$ 17,769
Note receivable	16,000	-
Accounts receivable	270	358
Prepaid expenses	11	11
Due from subsidiaries	327	-
Current portion of investment	288	10,254
	27,703	28,392
Trust Assets	2,988	3,279
Investments		
Equity investments	39,000	39,000
Loans and advances	27,314	27,145
Direct financing lease	3,793	4,082
Capital Assets	889	1,100
Deferred capital funding	6,844	5,483
	$ 108,531	$ 108,481
Liabilities		
Current liabilities		
Accounts payable	$ 1,077	$ 66
Interest payable	14	15
Due to subsidiaries	-	734
Current portion of long-term debt	278	249
	1,369	1,064
Deferred revenue	3,809	4,381
Trust Liabilities	2,988	3,279
Long-term debt	3,806	4,084
	11,972	12,808
Equity		
Contributed capital	41,501	41,501
Retained earnings	55,058	54,172
	96,559	95,673
	$ 108,531	$ 108,481

YUKON DEVELOPMENT CORPORATION **Schedule 2**

NON-CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended December 31, 2002 **(unaudited)**

(in thousands of dollars)

	2002	2001
Revenue		
Contribution - Canada	$ 187	$ 288
Contribution - Yukon	808	141
Dividend income	169	2,196
Finance income	529	559
Interest income	3,176	3,778
Other income	185	228
	5,054	7,190
Expenses		
Amortization	364	388
Board, Corporate Stewardship and Administration	662	635
Corporate, Environment and First Nations initiatives	159	140
Energy market transformation	1,068	903
Energy sector development	1,442	208
Interest on long term debt	473	501
	4,168	2,775
Net income	886	4,415
Retained earnings, beginning of year	54,172	49,757
Retained earnings, end of year	$ 55,058	$ 54,172

YUKON DEVELOPMENT CORPORATION

Schedule 3

NON-CONSOLIDATED CASH FLOWS

(unaudited)

for the year ended December 31, 2002

(in thousands of dollars)

	2002	2001
Cash flows from operating activities		
Cash receipts from customers	$ 1,222	$ 1,055
Cash paid to employees and suppliers	(3,359)	(2,914)
Net interest received	2,680	3,277
Dividends received in the determination of net income	169	2,196
	712	3,614
Cash flows from investing activities:		
Purchases of capital assets	(9)	(83)
Long term investments	255	224
Loan and advances with related parties	(6,169)	(2,196)
Deferred charges	(1,501)	(2,981)
	(7,424)	(5,036)
Cash flows from financing activities		
Repayment of long term debt	(249)	(223)
Trust Fund Assets	(325)	3,391
Trust Liabilities	325	(3,391)
	(249)	(223)
Incrcrease (decrease) in cash position	(6,961)	(1,645)
Cash position, beginning of year	17,769	19,414
Cash position, end of year	$ 10,808	$ 17,769
Represented by:		
Cash	$ 6,733	$ 13,326
Short term investments - restricted funds	4,075	4,443
	$ 10,808	$ 17,769
Interest paid during year	496	501
Significant non-cash transactions		
Operating Activities		
Dividends received via non-cash transactions	169	2,196
Investing activities		
Change in investments from non-cash transactions	169	2,196
Financing activities		

YUKON LIQUOR CORPORATION

FINANCIAL STATEMENTS

March 31, 2003

(audited)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Yukon Liquor Corporation is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced; the assets of the Corporation are safeguarded and controlled; the transactions of the Corporation are in accordance with the relevant legislation, regulations and by-laws of the Corporation; the resources of the Corporation are managed efficiently and economically; and operations of the Corporation are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Corporation. The accompanying financial statements, which include amounts based on management's best estimates as determined through experience and judgement, are prepared in accordance with Canadian generally accepted accounting principles.

These financial statements have been independently audited by the Corporation's external auditor, the Auditor General of Canada, and her report is included in this report.

Marc Tremblay
President

David Steele
Vice President

June 6, 2003

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Executive Council Member responsible for the
Yukon Liquor Corporation

I have audited the balance sheet of the Yukon Liquor Corporation as at March 31, 2003 and the statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Liquor Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept and the financial statements are in agreement therewith, and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Liquor Act* and regulations, the *Liquor Tax Act*, the *Financial Administration Act* and regulations and the by-laws of the Corporation.

Roger Simpson, FCA
Principal
for the Auditor General of Canada

Vancouver, Canada
June 6, 2003

YUKON LIQUOR CORPORATION

Balance Sheet

as at March 31, 2003

ASSETS

	2003	2002
	(thousands of dollars)	
Current		
Cash	$ 1,323	$ 579
Accounts receivable (Note 3)	49	142
Inventories	1,887	1,817
	3,259	2,538
Capital assets (Note 4)	2,958	2,878
	$ 6,217	$ 5,416

LIABILITIES & EQUITY

	2003	2002
Current		
Accounts payable (Note 3)	$ 1,507	$ 1,366
Due to the Government of the Yukon (Note 5)	865	304
Deferred revenue	89	93
	2,461	1,763
Employee termination benefits	798	775
	3,259	2,538
Equity (Note 6)	2,958	2,878
	$ 6,217	$ 5,416

Commitments (Note 9)

The accompanying notes are an integral part of the financial statements.

Approved by Management:

President

Vice President

YUKON LIQUOR CORPORATION

Statement of Income

for the year ended March 31, 2003

	2003	2002
	(thousands of dollars)	
Sales		
Beer	$ 10,804	$ 10,411
Spirits	6,382	6,310
Wine	2,966	2,775
	20,152	19,496
Cost of goods sold	9,654	9,371
Gross profit	10,498	10,125
Expenses		
Salaries and benefits	3,729	3,715
Rent, utililties and maintenance	757	723
Amortization	604	305
Professional services	260	142
Cartage	230	211
General and office supplies	206	134
Bank expenses	205	98
Travel and communications	121	134
Miscellaneous	24	31
Board expenses	19	19
	6,155	5,512
Operating income	4,343	4,613
Other income		
Fees, permits and licences	117	106
Miscellaneous	12	3
	129	109
Net Income	$ 4,472	$ 4,722

The accompanying notes are an integral part of the financial statements

YUKON LIQUOR CORPORATION

Statement of Cash Flows

for the year ended March 31, 2003

	2003	2002
	(thousands of dollars)	
Cash provided by (used in):		
Operating activities		
Net income for the year	$ 4,472	$ 4,722
Adjustment for non-cash items:		
Amortization	604	305
Decrease (increase) in accounts receivable	93	(14)
(Increase) decrease in inventories	(70)	70
Increase (decrease) in due to the Government of the Yukon	561	(176)
Increase in accounts payable	141	549
(Decrease) increase in deferred revenue	(4)	1
Increase in accrued employee future benefits	23	23
	5,820	5,480
Investing activities:		
Acquisition of capital assets	(685)	(107)
Financing activities:		
Adjusted net income due to the Government of the Yukon	(4,391)	(4,920)
Increase in cash during the year	744	453
Cash at the beginning of the year	579	126
Cash at the end of the year	$ 1,323	$ 579

The accompanying notes are an integral part of the financial statements

YUKON LIQUOR CORPORATION
Notes to the Financial Statements
March 31, 2003

1. Authority and Operations

The Corporation, established in 1977, under the *Liquor Act*, is responsible for the purchase, distribution and sale of liquor within the Territory. It is responsible for controlling the sale of liquor through licensed outlets and enforcing all matters related to the *Act*.

In accordance with the *Liquor Act*, the net income for the year, before amortization, less amounts expended on capital assets, is remitted to the Government of the Yukon on a monthly basis.

The Corporation is required by the *Liquor Tax Act* to collect liquor taxes on behalf of the Government of the Yukon and to remit these taxes on a monthly basis. The current rate is 12%, and is applied on the amount the Corporation would otherwise charge for its products.

In accordance with the provisions of the *Beverage Container Regulations* under the *Environment Act*, the Corporation collects various beverage container deposits and recycling surcharges on the sale of its products. These amounts are remitted to the Recycling Fund on a monthly basis after deducting deposit refunds paid and fees earned under the program.

The employees of the Corporation are paid by the Government of the Yukon. The Corporation reimburses the Government on a monthly basis for salaries and benefits expenses paid.

2. Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The more significant accounting policies are as follows:

Inventories
Inventories are comprised of alcoholic beverages for resale and are valued at the lower of landed cost at Whitehorse, or market.

Amortization
Amortization of capital assets owned by the Corporation is calculated using the straight-line method over the estimated useful life of the assets as follows:

Buildings	20 years
Furniture and office equipment	5 years
Equipment	5 years
Systems equipment & software	3 years
Leasehold improvements	4 years or remaining term of lease

Employee termination benefits
Non-pension benefits
Under the conditions of employment, employees may qualify and earn employment benefits for vacation, sick, compensatory and personal leave, travel bonus, and severance benefits. The benefit obligation was determined on an actuarial basis. The key assumptions used were a liability discount rate of 7% and an annual rate of general salary escalation of 3%. The obligation for vacation leave, sick leave, and severance benefits were calculated using the projected benefit method pro-rated on service. The remainder was calculated assuming all employees would receive the benefits on valuation date.

Pension benefits
Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Corporation's contribution to the Plan reflects the full cost of the employer contribution. This amount is currently based on a multiple of the employee's required contributions, and may change from time to time depending on the experience of the Plan. These contributions represent the total pension

2. Accounting Policies (continued)

obligations of the Corporation and are charged to operations on a current basis. The Corporation is not currently required to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Plan.

Services provided without charge

The Corporation does not record the value of services it receives or provides without charge. These services include the following:

- capital assets such as liquor store buildings, store and warehouse improvements, furniture and equipment acquired by the Government of the Yukon until March 31, 1990 for use by the Corporation, see (Note 4 b);
- services, primarily accommodation, provided by the Government of the Yukon;
- services provided by the Corporation to the Government in its capacity of Territorial Agent in localities outside of Whitehorse; and
- annual audit provided by the Office of the Auditor General of Canada.

3. Fair Values of Financial Instruments

Accounts receivable, accounts payable and the amount due to the Government of the Yukon are incurred in the normal course of business. All are due on demand and are non-interest bearing. The carrying amounts of each approximate fair values because of their short maturity.

4. Capital Assets

a) Capital assets purchased by the Corporation after March 31, 1990 are as follows:

	2003			2002
	Cost	Accumulated Amortization	Net book Value	Net book Value
		(thousands of dollars)		
Land	$ 268	$ 0	$ 268	$ 268
Buildings	4,685	2,461	2,224	2,443
Equipment	389	311	78	60
Systems equipment and software	593	543	50	54
Leasehold improvements	395	73	322	46
Furniture and office equipment	75	59	16	7
	$ 6,405	$ 3,447	$ 2,958	$ 2,878

4. Capital Assets (continued)

b) The un-amortized cost of capital assets acquired by the Government of the Yukon until March 31, 1990 and held by the Corporation is as follows:

	2003	2002
	(thousands of dollars)	
Liquor store buildings	$ 978	$ 978
Store and warehouse improvements	1,167	1,167
Equipment	375	375
Furniture and office equipment	104	104
	$ 2,624	$ 2,624

5. Due to the Government of the Yukon

	2003	2002
	(thousands of dollars)	
Adjusted net income due (Note 7a)	$ 111	$ (300)
Reimbursements due for salaries paid to employees on behalf of the Corporation	547	418
Liquor tax (Note 7b)	155	142
Net remittances due to the Recycling Fund	52	44
Net due at the end of the year	$ 865	$ 304

6. Equity

This amount represents the sum of the net book value of capital assets purchased by the Corporation after March 31, 1990, $2,958,000 (2001 - $2,878,000) which the Government of the Yukon has provided to the Yukon Liquor Corporation on a cumulative basis.

7. Related Party Transactions

a) **Adjusted Net Income**
Calculation of adjusted net income due to the Government of the Yukon for the year (Note 1):

	2003	2002
	(thousands of dollars)	
Balance due at the beginning of the year	$ (300)	$ 20
Net income	4,472	4,722
Capital expenditures	(685)	(107)
Capital asset amortization	604	305
Adjusted net income due to the Government of the Yukon	4,391	4,920
Less: remitted during the year	(3,980)	(5,240)
Balance due at the end of the year	$ 111	$ (300)

7. Related Party Transactions (continued)

b) Liquor tax

Liquor tax collected and due to the Government of the Yukon for the year (Note 1):

	2003	2002
	(thousands of dollars)	
Balance due at the beginning of the year	$ 142	$ 31
Liquor tax collected during the year	2,419	2,340
Less: remitted during the year	(2,406)	(2,229)
Balance due at the end of the year	$ 155	$ 142

c) Other transactions

The value of services provided without charge by the Government of the Yukon to the Corporation is estimated to be $553,000 (2002 - $553,000). The value of services provided without charge by the Corporation to the Government is estimated to be $389,000 (2002 - $394,000). These transactions were not included in the financial statements of the Corporation.

8. Pensions

During the year, the Corporation is required to contribute 2.14 times the employees' contributions to the Public Service Superannuation Plan.

	2003	2002
	(thousands of dollars)	
Employer Contribution	$244	$259
Employees' Contribution	113	121
Total	$357	$380

9. Commitments

The Corporation has the following commitments for annual rentals of leased premises:

	Whitehorse Store	Haines Junction Store
2004	210,120	68,775
2005	210,120	68,775
2006	210,120	68,775
2007	17,510	68,775
2008	-	51,581

10. Comparative Amounts

Certain of the comparative amounts have been reclassified to conform with the current year's presentation.

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YUKON GOVERNMENT FUND LIMITED

FINANCIAL STATEMENTS

December 31, 2002

(audited)

Auditors' Report

To the Directors of
Yukon Government Fund Limited

We have audited the balance sheet of Yukon Government Fund Limited as at December 31, 2002 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2002 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

MacKay LLP

Whitehorse, Yukon

February 11, 2003

Chartered Accountants

Yukon Government Fund Limited

Balance Sheet

As at December 31,	2002	2001
Assets		
Current		
Cash	$ 904,637	$ 646,685
Short-term investment (note 6)	247,165	-
Interest receivable (notes 8 and 9)	76,768	58,582
	1,228,570	705,267
Deferred costs (note 7)	**23,584**	47,228
Restricted cash (note 5)	**3,000,000**	2,650,000
Deferred distribution fees (note 7)	**668,000**	768,000
Due from 19596 Yukon Ltd. (notes 8 and 9)	**10,500,000**	9,275,000
	$ 15,420,154	$ 13,445,495
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 14,394**	$ 13,454
Due to the Government of the Yukon (notes 7 and 10)	**116,054**	116,173
Due to Investors (note 11)	**15,000,000**	13,250,000
	15,130,448	13,379,627
Shareholders' Equity		
Share capital (note 12)	**100**	100
Retained earnings	**289,606**	65,768
	289,706	65,868
	$ 15,420,154	$ 13,445,495

Approved by the Directors

Director

Director

Yukon Government Fund Limited

Statement of Operations and Retained Earnings

For the year ended December 31,	2002	2001
Revenue	**$ 882,678**	$ 636,462
Expenses		
Amortization of deferred costs and distribution fees (note 7)	263,644	235,644
Interest paid to investors	299,041	205,041
Reporting fees	89,798	62,969
Professional fees	6,423	4,250
Supplies	(119)	259
Bank charges and interest	53	54
	658,840	508,217
Net income	**223,838**	128,245
Retained earnings (deficit), beginning of year	**65,768**	(62,477)
Retained earnings, end of year	**$ 289,606**	$ 65,768

Yukon Government Fund Limited

Statement of Cash Flows

For the year ended December 31,	2002	2001
Cash flows from Operating activities		
Net income	$ 223,838	$ 128,245
Items not affecting cash		
Amortization	263,644	235,644
Change in non-cash working capital		
Distribution fees	(140,000)	(660,000)
Interest receivable	(18,186)	(36,476)
Due to the Government of the Yukon	(119)	-
Accounts payable and accrued liabilities	940	1,645
	330,117	(330,942)
Financing activities		
Increase in due to investors	1,750,000	8,250,000
	1,750,000	8,250,000
Investing activities		
Increase in loans	(1,225,000)	(5,775,000)
Increase in short-term investment	(247,165)	-
	(1,472,165)	(5,775,000)
Increase in cash	**607,952**	2,144,058
Cash, beginning of year	**3,296,685**	1,152,627
Cash, end of year	**$ 3,904,637**	$ 3,296,685

Cash represented by:		
Cash	**$ 904,637**	$ 646,685
Restricted Cash	**3,000,000**	2,650,000
	$ 3,904,637	$ 3,296,685

1. Incorporation and Basis of Presentation

Yukon Government Fund Limited ("the Company") is incorporated under the Business Corporations Act (Yukon). The Company is wholly owned by the Government of the Yukon ("the Government").

2. Purpose

The Company is a Government administered venture capital fund pursuant to the Immigration Regulations, 1978 (Canada), as amended ("the Regulations"). Under the Regulations the purpose of the Company is to invest in the active business operations of at least two eligible businesses.

The Company provides loan and equity capital to establish, expand, purchase, maintain or revitalize business or commercial ventures in the Yukon Territory which comply with the Regulations and are of significant economic benefit to the Yukon Territory, including creation or continuation of employment opportunities for Canadian citizens or permanent residents other than the investor and his/her dependents.

3. Accounting Policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Income taxes

The corporation is wholly owned by the Government and, therefore, is exempt from income taxes.

(b) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the company are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk.

(c) Short-term investment

Short-term investments are recorded at the lower of cost and market value.

4. Offering Memorandum

On January 4, 1999 the company finalized a Confidential Offering Memorandum for filing with the Business Immigration Division, Department of Citizenship and Immigration, Canada, Government of Canada. The maximum and minimum amounts of the offering were $30,000,000 (120 units), and $3,000,000 (12 units) respectively. The Company has committed to use the proceeds of the offering to invest in eligible businesses in the Yukon. The offering expired on March 31, 1999.

Proceeds from the sale of units will be held in trust by the escrow agent until a closing and may be released from escrow providing certain conditions are met.

The balance held in escrow, as at December 31, 2002 is $ 224,995 (2001 - $ 599,411).

5. Restricted Cash

The terms of the confidential offering memorandum requires that 20% of the subscription proceeds be placed in an account to be used to repay investors who may ultimately be rejected for issuance of an immigrant visa.

6. Short-term Investment

The short-term investment is a bankers acceptance, with a principal amount of $247,165, yielding interest at 2.3%, and maturing March 17, 2003.

7. Deferred Costs and Distribution Fees

Legal fees and other expenditures related to the incorporation and issuance of the Confidential Offering Memorandum (note 4) have been deferred and are being amortized over 5 years, the initial term of the investments.

The Government of the Yukon has advanced funds to cover these expenses. A portion of the proceeds of the offering will be used to repay the government.

Distribution fees of 8% of the subscription proceeds have been deferred and amortized over the terms of the investments (5 years).

	Cost	Accumulated Amortization	**2002 Net Book Value**	2001 Net Book Value
Deferred costs	$ 118,220	$ 94,636	**$ 23,584**	$ 47,228
Deferred distribution fees	$ 1,200,000	$ 532,000	**$ 668,000**	$ 768,000

8. Due from 19596 Yukon Ltd.

	2002	2001
Term loan earning interest equal to 7.7% per annum, calculated and compounded semi-annually, not in advance, payable monthly. Repayable at maturity, maturing May 1, 2005. Secured by promissory notes and a security agreement over equipment.	**$ 10,500,000**	$ 9,275,000

9. Related Party Transactions

Interest receivable of $ 66,319 (2001 - $61,705) is payable by 19596 Yukon Ltd., a company with significant common influence. At December 31, 2002, 19596 Yukon Ltd. owed $ 10,500,000 (2001 - $9,275,000) to the Company.

10. Due to the Government of the Yukon

The amount due to the shareholder is unsecured and due on demand. However, the shareholder has indicated that it will not request payment until the amount due to investors is repaid. Consequently, this item has been classified as a long-term liability in the accompanying financial statements.

11. Due to Investors	**2002**	2001
Term loans from individual investors ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing May 5, 2005	$ 2,500,000	$ 2,500,000
Term loans from ten individual investors ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing October 20, 2005	2,500,000	2,500,000
Term loans from ten individual investors ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing January 17, 2006	2,500,000	2,500,000
Term loans from ten individual investors ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing May 14, 2006	2,500,000	2,750,000
Term loans from nine individual investors ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing July 18, 2006	2,250,000	2,250,000
Term loans from three individual investors ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing September 21, 2006	750,000	750,000
Term loans from seven individual investors ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing January 10, 2007	1,750,000	-
Term loans from one individual investor ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing July 30, 2007	250,000	-
	$ 15,000,000	$ 13,250,000

The amount due to investors is repayable annually as follows:

2005	$ 5,000,000
2006	8,000,000
2007	2,000,000
	$ 15,000,000

12. Share Capital

Share capital consists of the following:

Authorized
Unlimited number of shares without nominal or par value.

	2002	2001
Issued 100 common shares	**$ 100**	$ 100

No dividends, share repurchases or return of capital shall be paid at any time when the Company has outstanding debt obligations to investors. Subject to this restriction, the holders of shares shall have all the rights of a shareholder under the Business Corporations Act, including the right to vote. No shares shall be transferred without the prior consent of the Government.

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19596 YUKON INC.

FINANCIAL STATEMENTS

December 31, 2002

(unaudited)

Review Engagement Report

To the Directors of
19596 Yukon Inc.

We have reviewed the balance sheet of 19596 Yukon Inc. as at December 31, 2002 and the statements of operations and retained earnings and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

MacKay LLP

Chartered Accountants

Whitehorse, Yukon

January 31, 2003

19596 Yukon Inc.

Balance Sheet
(Unaudited - see Review Engagement Report)

As at December 31,	**2002**	2001
Assets		
Current		
Bank	$ 111,274	$ 70,951
Accounts receivable	2,000	50,785
Income taxes receivable	200,810	61,210
	314,084	182,946
Restricted Cash (note 5)	**2,741,705**	1,653,779
Property and equipment (note 2)	**7,842,386**	8,442,613
	$ 10,898,175	10,279,338
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 80,198	$ 153,074
Due to shareholders	66,000	346,500
	146,198	499,574
Due to Yukon Government Fund (note 3)	**10,500,000**	9,275,000
	$ 10,646,198	9,774,574
Shareholders' Equity		
Share capital (note 6)	**200**	200
Retained earnings	**251,777**	504,564
	251,977	504,764
	$ 10,898,175	$ 10,279,338

Approved by the Directors

_______________, Director _______________, Director

19596 Yukon Inc.

Statement of Operations and Retained Earnings
(Unaudited - see Review Engagement Report)

For the year ended December 31,	2002	2001
Revenue		
Equipment lease	$ 1,700,000	$ 1,700,000
Interest income	58,793	101,305
	1,758,793	1,801,305
Expenses		
Amortization	1,319,248	1,021,025
Bank charges and interest	85	10,332
Interest on long-term debt	793,776	547,236
Management fees	75,345	346,500
Professional fees	25,393	28,086
	2,213,847	1,953,179
Loss before income taxes	**(455,054)**	(151,874)
Income taxes (recovery)	**(202,267)**	(61,210)
Net loss	**(252,787)**	(90,664)
Retained earnings, beginning of year	**504,564**	595,228
Retained earnings, end of year	**$ 251,777**	$ 504,564

19596 Yukon Inc.

Statement of Cash Flows
(Unaudited - see Review Engagement Report)

For the year ended December 31,	2002	2001
Cash provided by (used in)		
Operating activities		
Net loss	$ (252,787)	$ (90,664)
Item not affecting cash		
Amortization	1,319,248	1,021,025
Change in non-cash operating working capital		
Accounts receivable	48,785	132,250
Income taxes receivable	(139,600)	(61,210)
Accounts payable and accrued liabilities	(72,876)	(888,469)
Income taxes payable	-	(381,988)
Due to shareholders	(280,500)	346,500
	622,270	77,444
Financing activities		
Increase in long-term debt	**1,225,000**	5,775,000
Investing activities		
Property and equipment purchased	(719,021)	(5,837,803)
Increase in restricted cash	(1,087,926)	(395,307)
	(1,806,947)	(6,233,110)
Increase (decrease) in cash	**40,323**	(380,666)
Cash, beginning of year	**70,951**	451,617
Cash, end of year	**$ 111,274**	$ 70,951

1. Accounting Policies

The company is incorporated under the laws of the Yukon Territory and its major activity is the leasing of communications equipment. The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) **Financial instruments**
All significant financial assets, financial liabilities and equity instruments of the company are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk.

(b) **Property and equipment**
Property and equipment are recorded at cost. Amortization is calculated by the declining balance method at the annual rates set out in note 2.

(c) **Income taxes**
Income taxes are accounted for using the future income tax method.

2. Property and Equipment

			2002		2001
	Rate	Cost	Accumulated Amortization	Net book Value	Net book Value
Equipment	20%	$ 2,240,948	$ 680,892	$ 1,560,056	$ 1,696,282
Communication Equipment	20%	1,781,056	639,763	1,141,293	1,373,108
Satellite	20%	1,123,596	342,688	780,908	837,173
Structures & improvements	4%	1,649,466	113,683	1,535,783	1,354,265
Fiber Cable	12%	3,046,820	606,888	2,439,932	2,739,314
Roads	8%	175,404	18,924	156,480	117,788
Routers	30%	482,238	257,085	225,153	321,016
Computer Equipment	30%	2,568	1,498	1,070	1,528
Office Furniture	20%	2,971	1,260	1,711	2,139
		$ 10,505,067	$ 2,662,681	**$ 7,842,386**	$ 8,442,613

19596 Yukon Inc.

Notes to Financial Statements
(Unaudited - see Review Engagement Report)

December 31, 2002

3. Due to Yukon Government Fund Limited

	2002	2001
Term loan bearing interest equal to 7.7% per annum, calculated and compounded semi-annually, not in advance, payable monthly. Repayable at maturity, maturing May 1, 2005. Secured by promissory notes and a security agreement over equipment.	**$ 10,500,000**	$ 9,275,000

Estimated annual repayments of the loans payable are as follows:

2003	$ -
2004	-
2005	10,500,000
	$ 10,500,000

4. Related Party Transactions

During the year, the Company borrowed $1,225,000 (2001 - $5,775,000) from Yukon Government Fund, a company with significant common influence.

5. Restricted cash

Restricted cash represents equipment lease funds deposited into a trust account with HSBC Bank Canada. These funds are to be used to pay amounts owing to Yukon Government Fund Limited, to pay GST to the appropriate government agency, and audit, legal, and other fees incurred by 19596 Yukon Inc. in connection with the transactions contemplated by the loan agreement with Yukon Government Fund Limited, the equipment lease and the procurement agreement.

6. Share Capital

Authorized
Unlimited number of shares without nominal or par value

	2002	2001
Issued		
200 common shares	**$ 200**	$ 200

7. Commitments

The Company has entered into a procurement agreement for the purchase of fixed assets to a maximum of $11,025,000. The balance of the commitment as at December 31, 2002 is estimated at $115,000.

8. Change in Accounting Policy

In the current year the company changed its method of accounting for income taxes from the deferred income taxes method to the future income taxes method. This change has been applied retroactively. There were no effects of the change on the financial statements.

COMPENSATION FUND (YUKON)

FINANCIAL STATEMENTS

December 31, 2002

(audited)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Yukon Workers' Compensation Health and Safety Board (the board) is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced; board assets are safeguarded and controlled; transactions of the board are in accordance with relevant legislation, regulations and board policies; and that the board resources are managed efficiently and economically and the operations of the board are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the board. The financial statements as at December 31, 2002, which include amounts based on management's best estimates as determined through experience and judgement, are in accordance with Canadian generally accepted accounting principles. Other financial information included in the Annual Report is consistent with these financial statements.

Board members (the Board) are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Finance, Investment, and Audit Committee. The Finance, Investment, and Audit Committee has reviewed the financial statements and has submitted its report to the Board, which has approved these financial statements.

The Auditor General of Canada conducts an independent audit for the purpose of expressing her opinion on the financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with specified legislation.

Hewitt Associates, an independent consulting actuarial firm, has been engaged to provide an opinion of the adequacy and appropriateness of actuarial valuations of the benefits liability of the board.

Tony Armstrong
President and Chief Executive Officer

Jim Stephens, CMA,CGA
A/ Vice President, Operations
and Chief Financial Officer

April 4, 2003

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Honourable Peter Jenkins,
Minister responsible for the Compensation Fund

I have audited the balance sheet of the Compensation Fund as at December 31, 2002 and the statements of operations and reserves and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Compensation Fund as at December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Workers' Compensation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Fund that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Workers' Compensation Act* and regulations, the *Occupational Health and Safety Act* and regulations and the *Financial Administration Act* and regulations.

Ron Thompson

Ronald C. Thompson, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
April 4, 2003

Compensation Fund
Balance Sheet
As at December 31

	2002 ($000s)	2001 ($000s)
Assets		
Accounts receivable (note 3)	$ 887	$ 216
Investments (note 4)	128,871	136,874
Capital assets (note 5)	3,741	3,284
	$ 133,499	$ 140,374
Liabilities and Reserves		
Bank overdraft (note 9)	$ 682	$ 75
Accounts payable (note 3)	2,724	2,575
Benefits liability (note 6)	95,022	78,174
Total liabilities	98,428	80,824
Reserves (note 7)	35,071	59,550
	$ 133,499	$ 140,374

Contingencies (note 10)

The accompanying notes are an integral part of the financial statements.

Approved by the Yukon Workers' Compensation Health & Safety Board

Chair
Craig Tuton

Compensation Fund
Statement of Operations and Reserves
For the year ended December 31

	2002 ($000s) Total	2001 ($000s) Total
Revenue		
Assessments	$ 7,749	$ 7,165
Investment (note 4)	4,590	9,004
Recoveries and miscellaneous	421	412
	12,760	16,581
Expenses		
Claims expenses (note 6)	29,465	17,548
Administration and prevention (note 11)		
Administration	5,662	5,464
Occupational health and safety	907	952
Workers Advocate office	343	309
Appeal Tribunal office	179	194
Employer Consultant	80	-
Business process improvement costs (note 5)	603	-
Total expenditures	37,239	24,467
Operating deficit for the year	(24,479)	(7,886)
Effect of change in assumptions (Note 6)	-	9,337
Final operating (deficit) surplus	(24,479)	1,451
Reserves, beginning of year	59,550	58,099
Reserves, end of year (note 7)	$ 35,071	$ 59,550

The accompanying notes are an integral part of the financial statements.

Compensation Fund
Statement of Cash Flows
For the year ended December 31

	2002 ($000s)	2001 ($000s)
Cash flows from operating activities		
Cash received from:		
Employers, for assessments	$ 7,477	$ 6,783
Recoveries and miscellaneous	519	821
Investment revenue	6,114	8,686
	14,110	16,290
Cash paid to:		
Claimants or third parties on their behalf	(12,766)	(10,764)
Suppliers, for administrative and other goods and services	(7,924)	(6,143)
	(20,690)	(16,907)
Cash used in operating activities	(6,580)	(617)
Cash flows from investing activities		
Sales and maturities of investments	433,024	156,043
Proceeds on disposal of capital assets	1	1
Purchases of investments	(426,245)	(154,648)
Purchases of capital assets	(807)	(472)
Cash provided by investing activities	5,973	924
Net (decrease) increase in cash	(607)	307
Bank overdraft, beginning of year	(75)	(382)
Bank overdraft, end of year	$ (682)	$ (75)

The accompanying notes are an integral part of the financial statements.

Compensation Fund
Notes to Financial Statements
December 31, 2002

1. Nature of Operations

The Compensation Fund (the Fund) was established by the *Workers' Compensation Act* and is administered by the Yukon Workers' Compensation Health and Safety Board (the board) pursuant to the Act. The Fund, as administered by the board, provides compensation for injury or death by accident arising out of and in the course of employment. Annual assessments are levied upon employers, usually on the basis of their reported assessable payrolls. The assessment and investment revenue pays for all of the claims, administration and prevention expenses. In 1992, the board was made responsible for the administration of the *Occupational Health and Safety Act* and regulations to advance strategies for preventing workplace injuries in the territory.

2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The more significant accounting policies of the board are as follows:

(a) Benefits liability

The benefits liability represents the actuarial present value of all future benefit payments expected to be made for claims which have occurred in the current fiscal year or in any prior year. The benefit liability contains a provision for future payments on claims that have not been finalized to date. It is comprised of three liabilities for medical aid and compensation, pension, and annuity.

The benefits liability includes a provision for all benefits provided by current legislation, policies and administrative practices in respect of existing claims. These claims were discounted to a present value at a real interest rate of 3.5%. No provision has been made for claims related to known latent occupational diseases where the claim has not yet been reported and the year of disablement would be in a subsequent period.

Medical aid and compensation includes benefits for medical aid, compensation for loss of earnings and personal property, lump sum payments for permanent impairment, rehabilitation assistance, emergency transportation, traditional aboriginal healing, and death and funeral expenses.

The pension liability includes monthly pension benefits indexed annually that are paid to spouses, dependent children and guardians of dependent children of those who die from a work-related injury.

The annuity liability is for workers who have received compensation for the same disability for at least two full years. Ten percent of the total compensation payments, plus interest, is set aside to provide a retirement annuity at sixty-five years of age.

2. Significant Accounting Policies (continued)

(b) Allocation of reserves

The reserves are comprised of a prevention and benefit enhancement reserve, a target reserve, and a rate transition reserve. Once the benefits liability is determined, the remaining difference between the board's assets and liabilities is credited to reserves as follows:

Prevention and benefit enhancement reserve -	the initial amount identified as at December 31, 1997 will be credited with interest at the same rate as the annuity liability

The target reserve itself has three components, funded as follows:

Catastrophic claims -	200 times the maximum wage rate
Adverse claims experience -	16% of the unsubsidized assessment revenue plus 12% of the benefits liability
Occupational disease and enhanced disabilities including latent occupational diseases -	7% of the benefits liability

After the target reserve has been funded, the rate transition reserve is charged with the difference between the amounts charged or credited to the other two reserves and the total available for reserves.

(c) Investments

The objective of the board's investment policy is to ensure that funds are available to satisfy the liabilities. A portion of the investments is designated to match the benefits liability.

The carrying value of fixed-term investments, having terms greater than one year, consisting primarily of bonds, is cost, net of amortization of premiums/discounts on purchase. Fair value is the stated market value at year-end. Gains and losses realized on disposal of fixed-term investments during the year are deferred and amortized over the remaining period to maturity of the related investment.

Equity investments are carried at cost plus a moving average market method adjustment to amortize unrealized gains and losses over a five year period. Net realized gains or losses on the disposal of equity investments are deferred and amortized to income on a straight-line basis over five years.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income is translated at the rate in effect at the time of receipt. Exchange gains and losses resulting from the translation of foreign currency balances and transactions are amortized into investment income over a five-year period.

(d) Assessments

Assessment revenues are calculated on actual or estimated payrolls as reported by the employer, or on provisional assessments as determined by the board. Separate rates of assessment are established for each industry classification.

2. Significant Accounting Policies (continued)

(d) Assessments (continued)

In addition, the board administers the Government of Yukon employees' compensation claims related to injuries prior to January 1, 1993 when the Government was a self-insured employer. The Fund receives reimbursement for the claim costs and related administrative expenses of those employees.

(e) Supplementary compensation benefits

Supplementary compensation benefits are granted, pursuant to the Yukon Workers' Compensation Supplementary Benefits Ordinance, to all persons receiving compensation on or after October 1, 1973 for accidents prior to that date. Compensation is increased to the amount that would have been granted had the accident occurred after the Act came into force. The cost of these benefits is recovered from the Yukon Consolidated Revenue Fund.

(f) Third party subrogated claims

In certain limited circumstances, under section 42 of the *Workers' Compensation Act*, the board is deemed to be an assignee of a cause of action in respect of a claimant's disability. The claimant receives 25% of any settlement received after deducting all the costs of the action. This is over and above any future benefits entitlement. The remaining amount is used to offset future claims benefits, which were previously expensed in accordance with actuarial calculations, and which were previously incorporated in the benefits liability.

Revenue received from third party subrogated claims is recorded in the year the settlement occurs. No provision is made for these claims in the benefits liability, because of their contingent nature.

(g) Capital assets

Capital assets are carried at cost less accumulated amortization. Amortization is calculated on the straight-line method, using rates based on the estimated useful life of the assets as follows:

Buildings	40 years
Furniture and equipment	5 to 10 years
Computer equipment & software	3 years

System development costs are deferred until the date of implementation and amortized on a straight-line basis over the expected life of the system.

(h) Employee future benefits

Non-Pension Benefits

Under conditions of employment , employees may qualify and earn employment benefits for vacation, sick, compensatory and personal leave, travel bonus, and severance benefits. The benefit obligation was determined on an actuarial basis. The key assumptions used were a liability discount rate of 7% and an annual rate of general escalation of 3%. The obligation for vacation leave, sick leave, and severance benefits were calculated using the projected benefit method prorated on service. The remainder was calculated assuming all employees would receive the benefits on valuation date.

2. Significant Accounting Policies (continued)

(h) Employee future benefits (continued)

Pension Benefits

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Board's contribution to the Plan reflects the full cost of the employer contributions. This amount is currently based on a multiple of the employee's required contributions, and may change from time to time depending on the experience of the Plan. These contributions represent the total pension obligations of the Board and are charged to operations on a current basis. The Board is not currently required to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account (PSSA).

(i) Use of estimates

The preparation of financial statements in accordance with the Canadian generally accepted accounting principles requires management to make certain estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. This mainly affects claims expenses, benefits liability and the reserves. Actual results could materially differ from these estimates.

3. Accounts Receivable and Accounts Payable

	2002 ($000s)	2001 ($000s)
Receivable		
Assessments	$ 790	$ 184
Other receivables	97	32
	$ 887	$ 216
Payable		
Assessments	$ 324	$ -
Government of Yukon	280	867
Other payables	2,120	1,708
	$ 2,724	$ 2,575

4. Investments and Investment Revenue

	2002 ($000s)		2001 ($000s)	
	Carrying Value	Market Value	Carrying Value	Market Value
(a) Fixed-term securities				
Federal Bonds	$ 21,082	$ 21,846	$ 73,452	$ 74,527
Provincial Bonds	8,678	9,133	22,794	23,834
Corporate Bonds	30,416	31,709	35,087	36,120
Municipal Bonds	652	677	-	-
	60,828	63,365	131,333	134,481
Equities				
Canadian	24,028	21,948	10,245	9,926
United States	14,692	12,376	1,355	1,091
Overseas	35,050	31,779	1,802	1,424
	73,770	66,103	13,402	12,441
Cash and short-term investments				
Cash	230	231	1	1
Treasury Bills	2,212	2,214	2,363	2,363
Accrued interest income	913	854	1,313	1,313
	3,355	3,299	3,677	3,677
Custodial and investment Management fee accrual	(70)		(83)	
Deferred investment gains	(9,012)		(11,455)	
	$ 128,871	$ 132,767	$ 136,874	$ 150,599

	2002 ($000s)	2001 ($000s)
(b) Deferred investment gains		
BONDS		
Balance, beginning of year	$ 11,455	$ 11,412
Realized net gains for the year	2,037	1,125
Amortization	(1,548)	(1,082)
Balance, end of year	11,944	11,455
EQUITIES		
Balance Beginning of year	-	-
Realized net losses for the year	(3,665)	-
Amortization	733	-
Balance, end of year	(2,932)	-
TOTAL	$ 9,012	$ 11,455

4. Investments and Investment Revenue (continued)

	2002 ($000s)	2001 ($000s)
(c) Investment Income		
Dividends and interest		
Fixed-term	$ 4,451	$ 7,914
Equity	1,305	-
Short-term	-	5
	5,756	7,919
Deduct:		
Amortized realized and unrealized (losses) gains	(749)	1,509
	5,007	9,428
Deduct:		
Investment management fees	(417)	(424)
Investment Income	$ 4,590	$ 9,004

The following is the total amortization of net deferred investment gains to be credited to income:

	Total
2003	$ 1,208
2004	606
2005	285
2006	98
2007 to 2032	6,815
	$ 9,012

The fixed-term investments mature as follows:

1 to 5 years	$ 18,857	31%
6 to 10 years	33,455	55%
greater than 10	8,516	14%
	$ 60,828	100%

Annual investment returns:

	2002 (%)	2001 (%)
Total Fund	-3.7	5.8
Canadian Equities	-10.1	-5.7
U.S. Equities	-22.1	-9.1
Overseas Equities	-19.9	-15.6
Bonds	8.7	7.0

4. Investments and Investment Revenue (continued)

The Board has established a policy for the management of the investment process, utilizing external investment portfolio managers. The portfolio managers' compliance with this investment policy is monitored on a regular basis.

In following its new investment policy, the board has engaged new investment portfolio managers. As a result, the Fund disposed of all of its pooled fund equity investments in February 2002. New equity managers were appointed and the new managers have reinvested in equities and pooled equity funds.

Credit Risk Management

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument fails to meet its obligations. Therefore, short-term investments must have a credit rating of at least R1, and long term investments require a rating of A or higher by the Dominion Bond Rating Service in order to be eligible for consideration as an investment. Diversification of credit risk is managed by limiting the exposure in a single private institution to 5% of the portfolio.

Foreign Exchange Risk Management

The board has investments in equities denominated in foreign currencies. It does not undertake long-term hedging strategies for the currency risk of foreign investments. The Board undertakes long- term investment strategies: however, currency fluctuations may affect short-term returns. These fluctuations are not expected to affect the long-term position of the investment portfolio. Investments in US$ total $16,240,801 (2001 - $2,073,482). Investments in European Currency total $444,654.

Interest Rate Risk Management

Fluctuations in interest rates can impact the market value of the fixed-income portfolio, as well as shift investor preferences among asset classes. Interest rate risk is minimized by managing the duration of the fixed-term portfolio.

5. Capital Assets

	Cost	Accumulated Amortization	2002 Net Carrying Value ($000s)	2001 Net Carrying Value ($000s)
Land	$ 390	$ -	$ 390	$ 390
Buildings	3,208	(830)	2,378	2,439
Furniture and equipment	525	(405)	120	102
Computer systems and equipment	1,727	(1,508)	219	353
Software development (1)	634	-	634	-
	$ 6,484	$ (2,743)	$ 3,741	$ 3,284

(1) The board initiated a project to upgrade and improve computer systems and business processes. This project - Achieving Better Customer Service - has incurred expenditures of $1,237,000 as at December 31, 2002. $603,000 of these expenditures are related to business process improvement and are expensed as required by current Canadian generally accepted accounting principles. The remaining $634,000 has been capitalized and will be amortized when the project is fully developed.

6. Benefits Liability

	2002 ($000s)				2001 ($000s)
	Medical Aid & Compensation	Pension	Annuity	Total	Total
Balance, beginning of year	$ 54,736	$ 20,408	$ 3,030	$ 78,174	$ 80,792
Effects of change in assumptions	-	-	-	-	(9,337) (1)
Adjusted Balance, beginning of year	$ 54,736	$ 20,408	$ 3,030	$ 78,174	$ 71,455
Add claims costs incurred:					
Current year injuries	11,157	-	-	11,157	10,038
Prior years' injuries	15,400	2,196	712	18,308 (2)	5,585
Impact of appeal decisions	-	-	-	-	1,925 (3)
	26,557	2,196	712	29,465	17,548
Less claims payments made:					
Current year injuries	2,525	-	-	2,525	1,966
Prior years' injuries	8,499	1,593	-	10,092	8,863
	11,024	1,593	-	12,617	10,829
Balance, end of year	$ 70,269	$ 21,011	$ 3,742	$ 95,022	$ 78,174

(1) Every three years, the methods and assumptions used to value the benefits liability are reviewed by the board's actuary. As part of this review, the board revised its net investment rate of return to 3.5% in 2001 (2000-3%). The use of this new rate to discount claims costs to the present is the principal reason for a lower benefits liability valuation.

(2) The Yukon Government passed legislation in 2002 to amend the *Workers' Compensation Act*. This amendment provides increases to 26 injured workers who were still in receipt of compensation benefits as a result of a disability under the *1986 Workers' Compensation Act*. The amendment to the Act raises the wage rate for those workers to the current level - $65,000 in 2002 - and provides that it will be indexed annually. The estimated current and future cost of this amendment is $5,400,000.

(3) During 2001, a number of claims were successfully appealed. As a result, a number of adjustments were made to the claims, including retro-active payments. With these retro-active adjustments to the claims data, the beginning of the year Benefits Liability in 2001 was increased by $1,925,000.

The benefits liability was determined using accepted actuarial practices in accordance with standards established by the Canadian Institute of Actuaries. The actuarial present value of future benefits reflects management's long-term estimates of economic and actuarial assumptions and methods, which were based on past experience modified for current trends. As these assumptions may change over time to reflect underlying economic or legislated conditions, it is possible that such changes could cause a material change to the actuarial present value of future benefit payments.

6. Benefits Liability (continued)

The following key long-term economic assumptions were used in the actuarial valuation of the benefits liabilities:

	2002	2001
Future net investment rate of return	3.50%	3.50%
Future net increase in medical aid	2.25%	2.25%
Future net increase in compensation	2.25%	2.25%
Future net increase in rehabilitation	3.50%	3.50%

7. Reserves

	Prevention and Benefit Enhancement Reserve 2002 ($000s)	Prevention and Benefit Enhancement Reserve 2001 ($000s)
Balance, beginning of year	$ 14,750	$ 13,772
Current allocation	559	978
Balance, end of year	$ 15,309	$ 14,750

Target Reserve

	2002 ($000s) Catastrophic Claims	2002 ($000s) Adverse Claims Experience	2002 ($000s) Occupational Disease Claims	2002 ($000s) Total	2001 ($000s) Total
Balance, beginning of year	$ 13,020	$ 11,285	$ 5,472	$ 29,777	$ 29,155
Current allocation	220	2,213	1,180	3,613	622
Balance, end of the year	$ 13,240	$ 13,498	$ 6,652	$ 33,390	$ 29,777

	2002 ($000s)	2001 ($000s)
Prevention and Benefit Enhancement Reserve	$ 15,309	$ 14,750
Target Reserve	33,390	29,777
Rate Transition Reserve, end of year	-	15,023
Total required Reserves, end of Year	$ 48,699	$ 59,550
Deficiency in reserve funding	13,628	-
Total Funded amount of reserves	$ 35,071	$ 59,550

7. Reserves (continued)

The Board is planning to review the structure of the reserves in 2003 after consultation with stakeholders. Until this review is completed the Board felt that it would be premature to make any changes to the reserves.

As explained in note 6*(2)*, there has been an increase in benefits of $5,400,000 to certain workers. This amount has not been applied to any reserves as the Board wishes to consult with stakeholders prior to any allocations and/or changes to the structure of reserves.

8. Pension Fund

During the year, the Public Service Superannuation Plan required the Board to contribute to the PSSA at a rate of 2.14 times the employee's contributions.

	2002	2001
Employees' contributions	$ 168,511	$ 142,588
Fund contributions	359,763	304,210
Total	$ 528,274	$ 446,798

9. Related Party Transactions

As an agency of the Government of Yukon, the board is related to all government departments, agencies and Crown corporations. The Compensation Fund paid the Government $502,000 (2001 - $541,000) for building maintenance, computer, office supplies, payroll, recruitment, vehicle and rehabilitation services. The Fund also reimbursed $4,614,000 for payroll costs (2001 - $4,088,000). Revenues totalled $408,000 (2001 - $402,000) for supplementary benefits. All mainframe computer software is owned by the Government.

Any other transactions with the Government are part of the ordinary course of business. Effective January 1, 1993, all Government employees are covered by the Fund. The board received assessments from the Government totalling $2,236,364 (2001 - $2,134,804) for post-92 claims. Pre-93 claims costs of $677,000 (2001 - $380,000) were reimbursed to the Fund.

The Government of Yukon's Department of Justice currently owes the board $659,000 for occupational health and safety and mine rescue expenses for 2000 and 2001.

The board has access to the Government of Yukon overall line of credit facility with its banker. This access provides the board with overdraft coverage when needed.

10. Contingent Liabilities

The board is responsible for future costs of claims relating to certain latent occupational diseases which may have occurred in the current year or previously, but which may not be recognized and reported for a number of years due to the extended latency period of such diseases. Because of the absence of reliable evidence and data pertaining to these matters, these liabilities cannot be estimated. Therefore, a separate amount has been allocated in the target reserve.

11. Administration and Prevention Expenses

	2002 ($000s)	2001 ($000s)
Salaries and benefits	$ 4,844	$ 4,397
Consulting and professional	426	523
Amortization	347	508
Board expenses	249	232
Communications	223	215
Computer systems	221	209
Automobile and travel	212	227
Buildings	167	193
Printing and publications	148	94
General administration	134	97
Staffing and recruitment	123	153
Supplies and stationery	46	42
Furniture and equipment	31	29
	$ 7,171	$ 6,919

The net expenses have been allocated as follows:

	2002 ($000s)	2001 ($000s)
Administration	$ 5,662	$ 5,464
Workers' Advocate office	343	309
Appeal Tribunal office	179	194
Occupational health & safety	907	952
Employer Consultant	80	-
	$ 7,171	$ 6,919